Wednesday
16th February, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)]

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

Wednesday, 16th February, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

TRAINING OF OFFICERS FOR INDIAN MERCHANT NAVY

*410. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Commerce be pleased to state whether the committee appointed by Government in the year 1947 to report on the problem of shortage of Merchant Navy Officers has submitted its report?

(b) Is it a fact that no facility exists for the Merchant Navy to train Merchant Navy Officers in India?

(c) Is it a fact that duly qualified students could not get admission in any Indian Merchant ship for such training for want of accommodation?

(d) How many cadets were taken by the shipping companies for training every year during the last five years?

(e) Is it a fact that a Nautical College has been opened in Bombay and if so, what would be the period of the course and what are the qualifications prescribed for admitting students?

(f) How many students have so far been admitted in this College?

(g) How many had applied, how many were rejected for want of suitable qualification and how many were rejected for want of accommodation?

The Honourable Shri K. C. Neogy: (a) Yes, the Committee has so far submitted five interim reports.

(b) and (c). No. The Merchant Navy has been training a certain number of boys every year.

(d)

Year	*Executive Branch*	*Engineering Branch*
1944	24	29
1945	23	27
1946	30	42
1947	64	64
1948	74	78

(e) (i) Yes.

(ii) The College is primarily for imparting post-sea technical instruction to candidates preparing for the Commerce Ministry's examinations for Certificates of Competency as Merchant Navy Officers both executive and engineering. All persons qualified to sit for such examination by virtue of having undergone the prescribed practical training on board ships, and, in the case of Engineer Officers also in Marine Engineering Workshops, can be admitted to the College. The duration of the course is three months for each examination.

(iii) As a special measure, the College will also impart pre-sea training both for the executive and engineering branches, to boys between the ages of 16 and 18 years who have passed the Matriculation Examination, for the executive branch, and to those that have acquired the necessary practical engineering experience, without any age limit, for the engineering branch.

(f) (i) For post-sea courses	54	19 for the executive side and 35 for the engineering side.
(ii) For pre-sea courses	32	were admitted all for the executive side but one withdrew later.
Total on 1st February 1948	85	

(g) (i) For post-sea courses on both sides, executive and engineering, all boys possessing the requisite practical experience who applied were admitted.

(ii) For pre-sea training, selections were to be made for 32 vacancies in the Executive Branch. About 300 applications were received. Fourteen were rejected for want of the requisite academic qualifications (Matriculation Examination) and none for want of accommodation in the College.

Shri R. K. Sidhva: May I know whether the Committee reported that a large number of persons holding the requisite qualifications are available but in the absence of advance post-technical institutions they could not be admitted? If that is so, may I know what steps Government intend to take to see that the students are trained in some institution?

The Honourable Shri K. C. Neogy: I have before me the recommendations of this Committee summarized. I do not know whether my honourable friend is quite correct in what he has stated. But I should like to make it clear that training at an institution is not compulsory in any case. It is only for the purpose of assisting these boys to get through their examination on the theoretical side that these training classes have been opened.

Shri R. K. Sidhva: I have got also the Comittee report before me and what I stated is correct. I would therefore like to know whether my report is correct or the Honourable Minister's report is correct.

Mr. Speaker: Order, order. It is a matter of referring to the report.

Shri R. K. Sidhva: May I know whether shipping companies are insisted to accept people for training officers for administrative and engineering purposes? If so, which shipping companies have been asked to take a certain number of students for such training?

The Honourable Shri K. C. Neogy: There is no question of insistence. They are being freely taken.

Shri R. K. Sidhva: May I know whether the Dufferin imparts sea training and if so what is the number? Has the Committee also made a recommendation that improvement should be made in the training of Dufferin cadets?

The Honourable Shri K. C. Neogy: I am afraid my honourable friend is not quite accurate. The report is a rather complicated matter and it deals with certain technical points; so I should not like to say off-hand anything in reply to such questions. But the report is available in the library.

Shri V. C. Kesava Rao: May I know whether any officers were sent to foreign countries for advanced training?

The Honourable Shri K. C. Neogy: I do not think so.

Mr. Frank Anthony: The Honourable Minister has mentioned that the Matriculation Examination is part of the prescribed qualification. Am I to understand that other examinations which are regarded as equivalent to the Matriculation Examination such as the School Certificate are not accepted?

The Honourable Shri K. C. Neogy: I think so, but I should like to make sure of that.

Shri B. N. Munavalli: May I know when the Nautical College was started and how many students have obtained degrees so far?

The Honourable Shri K. C. Neogy: It was started very recently.

Shri Biswanath Das: May I know whether the call for applications has been duly and properly advertised in provincial newspapers, and if so, whether it was also advertised in vernacular newspapers?

The Honourable Shri K. C. Neogy: I do not know about the vernacular papers, but I am told that the matter has been given due publicity.

Pandit Lakshmi Kanta Maitra: What is the number of students that this College can take in any particular term?—I want to know the capacity of the college.

The Honourable Shri K. C. Neogy: The capacity of the Nautical College is I think 90 in a year, for the executive pre-sea training, and on the engineering side it is proposed to arrange for the training of 40 students.

Pandit Lakshmi Kanta Maitra: What is the number of terms in the course of a year?

The Honourable Shri K. C. Neogy: Three months constitute a term in one case, and in the case of engineering it is four months.

Shri B. Das: What steps have been taken to open a complementary technical nautical college in Calcutta, and will it be available for training of Merchant Navy officers?

The Honourable Shri K. C. Neogy: That proposal is under consideration.

Seth Govind Das: Is the Honourable Minister aware that there are some institutions like Gurukul Kangri and Kashi Vidyapeeth and their degrees are equivalent to Matriculation, and is that qualification also taken into consideration when taking boys in the college?

The Honourable Shri K. C. Neogy: As far as I am aware, it is not so.

Shri R. K. Sidhva: Is it a fact that the Committee has made the following report, and if so, what steps have Government taken in this direction?:

"They could perhaps be justified in the past when the demand for Merchant Navy Officers was small, but now that there is urgent need for the training of such officers in larger numbers the system of training on the ship must be re-organised with a view to converting it into a purely vocational institution and thereby increasing its intake.

The Honourable Shri K. C. Neogy: Their recommendation has been accepted and it is being given effect to.

Collection of Funds in U. S. A. and U. K. for Rehabilitation of Refugees

*411. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether any money has been collected from the Anglican, Methodist and Presbyterian Churches in the United States of America and the United Kingdom for rehabilitating refugees from Pakistan?

(b) If so, what is the scheme for which such collection has been made and have Government been approached in this connection by those concerned in the collection of the funds?

(c) Has any other agency in foreign countries sent money to India for rehabilitation work? If so, what are the details?

The Honourable Shri Mohan Lal Saksena: (a) No.

(b) Does not arise.

(c) A statement giving the information is placed on the table of the House.

List of donations received from Foreign Countries.

S. No.	Name of the donor.	Amount Rs.	A.	P.
1.	O/C. Indian General Hospital (Combined), Japan	1,200	0	0
2.	Rev. Ftr. Payara Singh, 112 Ind Mob W/S Coy., I.E.M.E., Rangoon	300	0	0
3.	Hindustani Mazdoor Sabha, Conventry, London	2,793	11	0
4.	Indian Workers, Association, London	10,065	13	0
5.	Hindoos Salisbury	64,662	9	0
6.	Hindu Relief Fund Committee, Salisbury	714	14	0
7.	The Committe Chairman, The Indian Refugees' Relief Fund, Singapore	54,341	3	6
8.	Hindu Mandal, Daresalaam	13,000	0	0
9.	Messrs. Chade Bros, Ltd., Daresalaam	15,944	10	3
10.	Cowasjee Dinshaw Bros., Aden	150,000	0	0
11.	Indians in Aden	50,000	0	0
12.	Marwaris in Nepal	8,176	0	0
13.	Hindu Community, Tororo (Uganda)	2,104	0	0
14.	Indians in Saigon	2,334	0	0
15.	Vaish Samaj of Nepal	1,316	0	0
16.	Hindu Mandal, Uitenhage (S. Africa)	661	0	0
17.	Hindu Union, Eldoret (Kenya)	9,000	0	0
18.	Shri Rambhai Prabhudas Patel, Arusha	101	0	0
19.	Hindu Mandal, Lindi	15,208	0	0
20.	Indian Youth League, Kishumnu	1,864	9	0
21.	Hindu Sikh Refugee Relief Fund Committee, Arusha (Tanganyika)	6,600	0	0
22.	S T. C. Employees Union, Singapore	600	0	0
23.	Shri Kuhar Singh, Bentong, Pahang, Malayan Union	156	0	0
24.	Indians of Taidum, Lantoka	395	14	0
25.	Assistant Headmaster, Durbar High School, Kathmandu (Nepal)	30	0	0
26.	L/Nk. Ram Singh, 1067 Ind. Tpt. Coy. Workshop, P.O. Mangaldon, Rangoon	114	6	0
27.	Shri Basant Singh, Bannstaple Devon, England	132	8	0
28.	Shri Samand Singh, Dovon, England	132	8	0
29.	The President, Prom Sabha, Loilema SSS, Rangoon (Burma)	500	0	0
30.	Indian Community at Saidan	5,078	12	0
31.	Beira Hindu Community, Bera	13,287	0	0
32.	Dr. C. C. Mazumdar. Prome (Burma)	90	0	0
33.	The Indian Refugees Relief Fund, Mombasa	20,000	0	0
34.	Shri L. N. Sinha, University of Loods, England	29	13	0
35.	Shri Chuni Lal, Singapore	30	4	0
36.	O. C. K. M. H. Singapore	220	0	0
37.	Hindu Union Eldoret (Kenya Colony)	4,300	0	0
38.	Messrs. Manilal Aditram (SSS Burma)	367	0	0
39.	Staff of sorting Department, G. P. O., Rangoon (Burma)	230	0	0
40.	Indian Citizens of Tonngoo, Burma	312	0	0
41.	The Indian Association, Jinja (Uganda)	190	0	0
42.	Hony. Secretary, Sikh Temple, Gurdwara, Klang (Malaya)	1,820	11	5
43.	Shri Khem Singh, Branstaple, Dovan	66	4	0
44.	Khalsa Society, Abbotsford, Canada.	2,316	0	0
45.	S. S. Sangat Singh, Indian Trade Commissioner in East Africa, Mombasa	6,627	13	0
46.	Shri L. T. Shamdasani, London	1,000	0	0
47.	Indian Association, Nanyuki	2,722	12	0
48.	H. H. Maharaja Padma Shumsher Jung Nepal. (Rs. 50,000 for Mahatma Gandhi National Memorial Fund)	50,000	0	0
49.	Shri Mohan Singh, Tehran	2,031	8	0
50.	Shri Bhupendra Singh, C. T. C's Office, Rangoon, Burma	60	10	0
51.	Shri Sitaram Seth, Jinja	400	0	0
52.	Shri Dwarka Das Hemraj, Jinja (Uganda)	2,253	12	0
53.	Shri Ambalal Gopalji Patel, Arusha	6	10	0
54.	Sht. Prabhavati Ben Valjibhai, Pretoria (South Africa)	39	12	0
55.	Shri L. N. Sinha, Leeds (England)	16	9	9
56.	Hindu Union, Kitale	6,594	0	0
57.	Labourers of Jeram Padang Estate and Sialang Estate, Bahu, Federation of Malaya	124	13	0
58.	Sikh-Hindu Welafare Society, Kisummu	3,750	0	0
59.	Mr. Goolam M. Keshabjee, Pretoria (S. Africa)	137	12	0
60.	Brahmin Co-operative Society Ltd. Rangoon	100	0	0

S. No.	Name of the donor	Amount Rs. A. P.
61.	Staff of Moscow Embassy	390 0 0
62.	Indian community in Tehran	21,558 14 0
63.	Hioomind Sports and Social Council, Office of the High Commission. or for India, England	1,828 14 9
64.	Indians in Blantyre, Nyasaland	21,125 0 0
65.	Indian Employees of the Anglo-Iranian Oil Co., Ltd.	2,600 0 0
66.	Her Royal Highness the Princess Elisabeth	1,828 11 6
67.	The Indian Community of New Zealand	11,671 8 0
68.	The Khalsa Dewan Society, Abbotsford, Canada	984 0 0
69.	Illinois University Students (USA)	334 9 0
70.	Miss Jano Paricnad, Boedaus (France)	0 10 6
71.	Indian Students Associaiton, Coloumbia Mussouri (U.S.A.)	324 6 0
72.	Shri A. N. Bouri, Station Master, Kibigori, B. E. Africa	82 0 0
73.	Mr. Kanu J. Amin, Quelimane (B. E. Arfica)	26 8 0
74.	The Indian Refugee Relief Fund Committee, Mombasa	3,200 0 0
75.	Nyanza Indian Farmers Association, Kibos. B. E. Africa	1,391 14 0
76.	Shri Bachubhai Jamnadas, Masinda (Uganda)	154 10 0
77.	South African Hindu Mahasabha, Durban	5,800 0 0
78.	Indians in Batavia	294 0 0
79.	The Members of Sticklac Association, Rangoon	781 2 0
80.	Mr. Edgar Snow, American Journallist	656 0 0
81.	Indians in U. S. A.	1,644 6 2
82.	Shri B. L. Garg, Nairobi	66 0 0

Statement showing details of the donations received from the Foreign countries by the Minist of Relief and Rehabilitation.

S. No.	Name and address of donor	Amount Rs. A. P.
1.	O. C., 194 Coy., R. I. A. S. C., (g.t.)-Johoni Bahru, Singapur	275 0 0
2.	Secretary, Hindu Temple No. 2 C. M. Hospital (Burma) Meiktila, Burma	400 0 0
3.	Indian of Bhamo Town (Burma)	2,000 0 0
4.	Hindu Union Bukabad, Tanganyka	6,150 0 0
5.	Selangor Sikh Police, Kusla Lumpur (F. M. S.)	2,652 0 0
6.	Secretary Khalsa Boys and Girls School, P. O. Box 496, Nairobi Kenya, amount collected by the Mistressee of the school	1,000 0 0
7.	Ranjit Singh Esqr., contractor C/o of the Elephant Soap Factory Ltd., P. O. Box 63 Nairobi	3,000 0 0
8.	Burman-Indians, Pyinmana Central Burma	275 0 0
9.	Miss L. Aditya, B.A., B.T. Secy. "Silpa Bitan" Kenches Trace, Shillong on behalf of the young boys and girls of Shillong	260 0 0
10.	Members of the Gurdwara Committee Port Blair, Andaman Islands	2,000 0 0
11.	President Indian Union Pawbwe Yemethin, District Burma	580 0 0
12.	Untali Hindu Mandal (Association)	1,535 12 3
13.	Indians of Magadi Kanya Colony	2,375 0 0
14.	President Sikh Gurdwara Thika, Kenya Colonoy	3,684 8 0
15.	Indian Nationals in Kuwait, Persian gulf	3,189 0 0
16.	Indian Government students Association, Oxford	202 10 0
17.	Indians of Tabora District (T.T.B.E.A.)	6,628 0 0
18.	President, Punjab Relief Fund, Nairobi	1,150 0 0
19.	Honorary Secretary, Punjab Relief Fund, Nairobi	50,000 0 0
20.	Indian Studonts Association Leeds through Liyods Bank Ltd., New Delhi	547 0 0
21.	Shrimati Lakshmi Devi, Kuala, Lumpur	200 0 0
		£ s. d.
22.	Indian students Leeds University England	2 5 0
		Rs. A. P.
23.	Indians of Mombasa	20,000 0 0
24.	Staff of the sorting Deptt. General Post Office Rangon	230 0 0
25.	Messrs. Manilal Aditram Precious and Semi-precious stones, seed merchants and commission agents, Kalaw, s.s.s. Burma	867 0 0
26.	Indian Citizens of Tongoo Burma	312 0 0
27.	Klang Sikh Temple, Klang (Malaya)	1,820 11 5
		£. s. d.
28.	L. N. Sinha Esqr., The University Union Leeds-2 England	1 5 0

S. No.	Name and address of donor	Amount
		£. s. d.
29.	Shri Ambalalji, Gopalji Patel Box No. 11 Arusha T.T.	0 10 0
30.	Bhupindra Singh Esqr., C/o C. T. C's Burma Ralys. Pyinmana (Upper Burma)	Rs. A. P. 60 10 0
31.	Secretary, Sikh Hindu Welfare Society, P.O. Box 19, Kismu (Kenya)	3,750 0 0
32.	Labourers of Jeram Palang Estate (Kepis Division) and Sialang Estate Bahau, Negri Sembilam, Federation of Malaya	124 13 0
33.	Messrs Hari Das Savji Rajani P.O. Box No. 73 Tobora (Tanganyika Territory)	500 0 0
34.	Messrs. Brahmin Co-operative Society Ltd., Rangoon	100 0 0
35.	Rangoon Soicklac Association 52, Moogal Street P.O. Box No. 457 Rangoon	781 2 0

STERLING BALANCES ACCOUNT AND IMPORT AND EXPORT TRADE

*412. **Pandit Mukut Bihari Lal Bhargava**: (a) Will the Honourable Minister of Commerce be pleased to state how the account of Sterling balances with the Bank of England stands as at the end of January, 1949, what amount of sterling balances was liquidated during the period commencing from 1st April, 1948 up to date and for what specific purposes the amount was utilized?

(b) What is the total value of imports from and exports to the soft and hard currency areas during the period from 1st April, 1948 up to this day?

(c) What is the dollar earnings made by India from month to month during this period and what is the cause of decrease, if any?

(d) What is the total cost of imports of consumers goods and capital goods separately from soft and hard currency areas and what is the percentage of the capital goods imported as compared to the total imports?

The Honourable Shri K. C. Neogy: (a) and (c). I would be grateful if the honourable member does not press for an answer to these parts of the question as my honourable colleague in charge of Finance proposes to deal with this matter in detail in his forthcoming budget speech.

(b) and (d). I lay on the table two statements giving the requisite information for the period April to October, 1948 as available at present.

STATEMENT I

Total value of imports from and exports to hard and soft currency areas for seven months from the 1st April 1948 to 31st October 1948.

(Figures in crores of rupees)

Currency Areas	Imports	Exports
Dollar and Hard Currency Areas	73	68
*Soft Currency Areas	194	171
TOTAL	267	239

*Inclusive of Imports from/Exports to Sweden and Switzerland.

STATEMENT II

Total cost of consumers goods and Capital goods from soft and hard currency areas imported during the seven months from 1st April 1948 to 31st October 1948, and percentage of Capital goods imported as compared to total imports.

(figures in crores of rupees)

Currency Areas.	Capital Goods.	Consumer Goods.
Dollar and Hard Currency Areas.	12	32
* Soft Currency areas.	31	87
Total	43	119

* Inclusive of Imports from Exports to Sweden and Switzerland.

NOTE: (1) Grand total of all imports 207 (including import of industrial goods, raw materials and accessories needed by industries from all sources amounting to 1050).

(2) Percentage of Capital Goods imported as compared to total imports: 16.1

Shri B. Das: May I know whether the United Kingdom deputation to negotiate the settlement of the Sterling Balances has left India?

The Honourable Shri K. C. Neogy: I do not know how that arises out of this question.

Mr. Speaker: It arises because there is mention of Sterling balances in the question!

Shri B. Das: The Honourable Minister can at least tell us if the deputation is in India?

The Honourable Shri K. C. Neogy: I do not know what significance is to be attached to the departure of the Delegation.

EXPORT OF COTTON CLOTH, CASTOR SEEDS AND OIL

*413. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Commerce be pleased to state the total quantity of cotton cloth, castor seeds and oil produced in India during the years 1947-48 and 1948-49, and the stocks of these commodities accumulated till January, 1949?

(b) What is the quantity of castor seeds and oil exported during the year 1947-48 and in the year 1948-49 (up to date)?

(c) What are the reasons which led the Government of India to reduce export duty on cotton cloth, castor seeds and oil?

The Honourable Shri K. C. Neogy: (a) and (b). A statement giving the required information is placed on the table of the House.

(c) It was represented to Government by the interests concerned that the export duty levied on cotton textiles and castor seeds and oil had led to an increase in the Indian prices of these commodities to such a level as to render it difficult, if not impossible, for them to compete in foreign markets. The Government of India considered, after carefully examining the matter, that as the continued levy of these duties was likely to affect our export market in these commodities, the duty on cotton textiles should be reduced from 25 per cent. *ad valorem* to 10 per cent. *ad valorem* and that it should be removed altogether in the case of castor seed and oil.

STATEMENT

Production and export of cotton cloth, Castor seed and castor oil,

I. *Cotton Cloth*—

		Quantity
Production of Mill made cloth in 1947-48	3878	Million yards.
Production of Hand-loom cloth in 1947-48	1250*	
Export of cotton piecegoods in 1947-48	192·4	Million yards.
Production of Mill made cloth in 1948-49 (April to December 1948)	3309†	
Production of Hand loom cloth	1250*	Million yards.
Export of Cotton piecegoods during April-November 1948	236·6	Million yards.
Accumulation of stocks with mills in surplus zones on 1st January, 1949	372·3‡	Thousand bales or 0·6 Million yards.

* Estimated annual production.

† Production figures from January 1949 not yet available and the figures for December 1948 are estimated.

‡ Out of this quantity 75,741 bales were sold out but not delivered. This means that about 5½ weeks production remains unsold. Total production during the last week of December 1948 in surplus zones being 53,569 bales.

II. *Castor Seed*—

	1947-48 (In thousand tons)
Estimated production of castor seed	215
Export of castor seeds during 1947-48	1·2
Seeds required for sowing	8·5
Quantities estimated to be retained	1·5
Quantities needed for crushing oil for internal consumption	67·6
Balance available	136

(There were no exports of castor seeds during April-December 1948).

III. *Castor Oil*—

Estimated production of castor Oil from balance available	50
Exports during 1947-48	23·5
Quantity in stock on 1.4.1948	26·5
Exports during April-December 1948	11·8
Stock of oil on 1.1.1949	14·7

Shri B. P. Jhunjhunwala: May I know what has been the effect on import after reducing this duty?

The Honourable Shri K. C. Neogy: It is too early yet to judge the effect. But I think so far as cotton textile trade is concerned, it has had an appreciable effect in improving the position.

FOREIGN TRADE AND APPOINTMENT OF TRADE COMMISSIONERS

***414. Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Commerce be pleased to state what steps the Government of India have so far taken or intend to take in the near future to stimulate exports, with a view to improve India's international trade balance?

(b) In which countries have Trade Commissioners so far been appointed by the Government of India, and are there any proposals for the appointment of Trade Commissioners in other foreign countries and if so, when and in which countries?

(c) With which foreign countries have the Government of India, already entered into commercial agreements?

(d) Do Government propose to enter into negotiations and agreements with other countries and if so, with which, on what terms and in respect of which commodities?

The Honourable Shri K. C. Neogy: (a) Measures taken to stimulate exports with a view to improving India's trade balance fall into the following two general categories: (i) Measures to stimulate exports in general to all foreign countries, and (ii) Measures to stimulate exports to hard currency areas.

As regards (i), measures already taken include decontrol of the export of over 200 commodities since the termination of the war, strengthening of commercial representation abroad, participation in various national and international fairs and exhibitions with a view to publicising Indian commodities, affording priority assistance for movement of goods intended for export, despatch of trade delegations to various countries and negotiations for concluding trade agreements with various countries. Measures proposed to be taken further include the opening of show rooms in the offices of Trade Representatives abroad for exhibiting Indian commodities, the examination of proposals for setting up an organisation similar to the British Export Trade Research Organisation, the standardisation of goods intended for export so as to ensure a certain optimum standard.

As regards (ii), certain goods, the export of which to easy currency areas is controlled, are allowed to be exported freely to hard currency areas while quotas of certain other commodities like jute goods, oils and oil-seeds and cloth are fixed liberally for such areas.

(b) to (d). I lay on the table of the House a statement containing the requisite information.

STATEMENT

(b) (i) The Government of India have appointed Commercial Representatives in the following countries :—

(1) U. K. and Eire.
(2) Australia and New Zealand.
(3) Canada and Newfoundland.
(4) East Africa.
(5) Egypt.
(6) Ceylon.
(7) Pakistan.
(8) Eastern Pakistan.
(9) Brazil (for northern part of South America)
(10) Iran.
(11) France (for whole of Europe except Germany, Austria and Czechoslovakia).
(12) Germany (for Germany, Austria and Czechoslovakia).
(13) Japan.
(14) Burma.
(15) Afghanistan.

These Representatives are designated as Trade Commissioners and Assistant Trade Commissioners in Commonwealth countries and as Commercial Counsellors, Commercial Secretaries or Commercial Attaches in other countries.

(ii) It has been decided to appoint Commercial Representatives in the following countries and appointments will be made as soon as suitable incumbents are available.

(1) Italy (for Italy, Greece and Balkan countries).
(2) Iraq.
(3) Aden.
(4) Czechoslovakia.
(5) West Canada.
(6) Siam.
(7) Switzerland.

(iii) Our trade interests in the following countries where we have no separate commercial representatives are watched by our diplomatic and consular officers.

(1) U. S. A.
(2) China.
(3) Argentine (for Southern part of South America).
(4) Sinkiang.

(5) West Indies.

(6) Fiji.

(7) Mauritius.

(iv) Proposals are at present under consideration for the appointment of commercial representatives in the following countries and appointments will be made as soon as necessary formalities have been completed.

(1) Hong Kong.

(2) Turkey.

(3) U. S. S. R.

(4) Belgium (for Belgium and Holland).

(5) Malaya.

(6) East U. S. A.

(7) Phillippines.

(c) Foreign countries with which the Government of India have already entered into Commercial agreements.

(i) Anglo-American Zone of Germany;

(ii) Yugoslavia;

(iii) Pakistan; and

(iv) Japan.

(d) Foreign countries with which the Government of India have in view trade negotiations.

(1) Italy.

(2) France.

(3) Belgium.

(4) Switzerland.

(5) U. S. S. R.

(6) Poland.

(7) Finland.

(8) Austria.

(9) Czechoslovakia,

(10) Soviet Zone of Germany.

(11) Hungary.

(12) Sweden.

(13) Afghanistan.

(14) Iran.

(15) Iraq.

(16) Egypt.

(17) Tibet.

(18) Siam.

(19) Ceylon.

(20) Burma.

Italy, France, Belgium, Switzerland, U. S. S. R., Poland, Finland, Austria, Czechoslovakia Soviet zone of Germany, Hungary and Sweden.—During the last few months we have been carrying on negotiations with European countries mentioned above but it is premature to indicate the terms and commodities which will figure in the trade agreements, if any, that might be entered into with these countries. Currency considerations, the economic position of our country as well as that of the various European countries concerned, the need for speeding up India's programmes of post-war reconstruction and post-independence industrialization, our acute food shortage, prices and delivery dates and several other factors have to be taken into account before committing ourselves in regard to any items of export or import, especially the latter. All these factors make it difficult to make a categorical and unequivocal statement but generally speaking, it may be stated that while negotiating trade agreements with foreign countries, our endeavour is to import mostly such articles as are essential to our economy *e.g.* foodgrains, steel, machinery and instruments, fertilizers, chemicals and pharmaceuticals, and export as many of our commodities as we can *e.g.* tobacco, shellac, coir yarn and coir goods, spices, tea, jute goods, castor oil, pepper and niger and kurdi seeds, short staple cotton and cotton textiles.

Afghanistan.—Matters relating to trade in general were discussed with the Afghan Government by an Indian Trade Delegation which visited that country in October last.

The main commodities which will figure in the negotiations are Afghan fruits and raw cotton on the one hand and Indian cotton textiles, tea, sugar and Indian tobacco on the other. Further negotiations are at present in progress with the Afghanistan Delegation visiting this country.

Iran.—The Indian Trade Delegation which visited Afghanistan had also had general trade talks with the Iranian Government whose particular attention was invited to the various difficulties experienced by all foreigners including Indians in Iran who as a result of the Import Control Act enacted by the Iranian Government were prevented from taking part in the import trade. The Delegation were assured in general term that the Iranian Import Control Act would be amended suitably so as to remove this disability. India may receive from Iran supplies of agricultural products like dry fruits, medicinal herbs hides and skins, wool, minerals like iron and copper, lead, manganese and red oxide and manufactured goods like carpets, shawls and silks. India's exports to Iran will be mainly cotton piecegoods, jute and jute goods.

Iraq.—An Iraq Trade Mission visited Delhi recently to hold discussions with the Government of India about expansion and development of her date trade and also about the possibilities of improvement in the transport facilities for movement of dates from Bombay. They also discussed the question of supply from India of commodities such as jute goods and cotton textiles. The Government of India have agreed to make certain allocations for Iraq of these commodities. In return the Iraq Delegation assured that Iraq's surplus of barley would be made available to India.

Egypt.—An Egyptian Trade Delegation is expected to arrive in India in March 1949 to conclude an agreement between India and Egypt for the exchange of commodities and also a Commercial treaty. The principal commodities that are likely to be exchanged are Egyptian cotton and rice on the one hand and Indian jute goods and cotton textiles, oil seeds, tea and tobacco on the other.

Tibet.—The Tibetan Trade Mission which visited Delhi last year for discussing certain trade matters have come back for pursuing those discussions with the Government of India. The discussions relating mainly to three issues, namely, (i) Release of 2 million dollars for the purchase of gold, (ii) retention of foreign exchange earned by exports of Tibetan wool to other countries and (iii) grant of free customs facilities on imports into Tibet through India.

In view of the acute shortage of dollars, the Government of India regretted their inability to accede to (i). As regards (ii), the Mission promised to examine the case more carefully and so far as (iii) is concerned the Government of India have promised to consider the case sympathetically provided adequate *quid pro quo* is forthcoming from Tibet.

Siam.—There is a proposal for entering into a bilateral trade agreement with Siam. The basis of the agreement will be somewhat on the following lines :

Supply by India.—Jute goods, Cotton textiles, Beehive coke, Pig iron, Linseed oil, diesel and steam road rollers, motor lorries and certain other manufactured goods.

Siam's supplies.—Rice, Tin, Railway sleepers and Teak wood.

Ceylon.—In 1948 a One-Man Delegation was sent to negotiate supplies of copra from that country but owing to the truculent attitude adopted by that Government this Mission was not successful. Intimation has just been received from the Indian Trade Commissioner, Colombo, to the effect that Ceylon is prepared to negotiate, on a reciprocal basis, the supply of copra against supply by India of such commodities as subsidiary foodstuffs, coal, jute and steel. This is under consideration at present.

Burma.—At present no negotiations are actively under consideration for the conclusion of a trade agreement with Burma in view of the unsettled conditions in that country. Recently, an officer was deputed to Burma to negotiate the supply of rice from that country but the attitude adopted by that Government was not favourable. They demanded a price of £ 5 per ton which was out of unison altogether with the current world prices of that commodity. The position is being closely watched and as soon as situation changes for the better, the question of negotiating a trade agreement with that country will be actively taken up.

Pandit Lakshmi Kanta Maitra: May I know what progress has so far been made with regard to the standardisation referred to?

The Honourable Shri K. C. Neogy: I am afraid nothing very much has yet been done. But the proposal is under active consideration.

Pandit Lakshmi Kanta Maitra: I take it that the activities initiated by the Ministry of Commerce will be co-ordinated to similar activities organised by the Ministry of Industries and Supply?

The Honourable Shri K. C. Neogy: Certainly. As a matter of fact, the Standardisation Institution of the Ministry of Industry and Supply will be a principal organisation for the purpose of standardisation of commodities for export.

ARREST OF MAHE MAHAJANA SABHA WORKERS BY FRENCH POLICE IN INDIAN TERRITORY

*415. **Shri V. C. Kesava Rao:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that the French Police stationed at Mahe entered the Indian territory a . arrested Mahe Mahajana Sabha workers?

(b) How many of them were arrested?

(c) Have the Indian Police rendered any help to the French Police to arrest Mahajana Sabha workers?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) and (b). According to information received from the Government of Madras no French Indian Policemen have at any time trespassed into Indian Union territory and arrested Mahe Mahajana Sabha workers.

(c) No.

REPATRIATION OF INDIANS FROM MALAYA

*416. **Shri V. C. Kesava Rao:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that some Indian nationals have been repatriated from Malaya on the request of the Malayan authorities?

(b) Have Government examined their cases individually and satisfied themselves in respect of the complaints against them?

The Honourable Shri Jawaharlal Nehru: (a) Government are not aware that any Indian national was compulsorily repatriated from Malaya. The honourable member has, presumably, in mind a number of Indian nationals who were detained in Malaya under the Emergency Regulations and while in detention were given the option of repatriation to India by the Malayan authorities. 56 Indians returned to India under this arrangement.

(b) Government examine whatever material is available to see whether there was any ground for the arrest and detention in Malaya of the persons referred to in part (a) of the reply. Our representative in Malaya has been asked to send his own reports in regard to these Indians.

Shri H. V. Kamath: May I know whether the matter of the detention of Indian nationals is under enquiry? I could not quite catch the answer.

The Honourable Shri Jawaharlal Nehru: As I have stated, a number of Indians who were detained by the Malayan authorities in Malaya were given the option by the Malayan authorities to return to India. Fifty-six of them so returned. On their arrival at Madras, the Madras Government kept some of them in detention pending enquiry and some of them were immediately released. Some were subjects of enquiry and, after some enquiries, some further numbers were released. I am not quite sure, some of them might still be under detention. Thereupon, when we heard of this, we asked our representative in Malaya to send us information in regard to these Indian nationals.

Shri H. V. Kamath: Has he sent the information?

The Honourable Shri Jawaharlal Nehru: It is being received. As the enquiry is proceeding he sends us his opinion and it is acted upon.

Shri H. V. Kamath: Will the Honourable the Prime Minister tell us what were the grounds for the detention of the Indian nationals in Malaya?

The Honourable Shri Jawaharlal Nehru: In Malaya, presumably the grounds were that they were taking part in activities there which the Government of Malaya did not approve of.

Shri H. V. Kamath: Is it not a fact that the Malayan Indian Congress, presided over by Sardar Budh Singh, has expressed its sympathy with the present struggle of the people against the present Government of Malaya?

The Honourable Shri Jawaharlal Nehru: No. I am not aware of that except this: there is a slight difference, that is to say, they had expressed their sympathy with the various demands made, political and economic. They also expressed some resentment at certain activities of the Government there. But they have not expressed their sympathies in regard to many of the activities taking place there.

Shri V. C. Kesava Rao: May I know whether some of those who have returned to India are under detention of the Madras Government?

The Honourable Shri Jawaharlal Nehru: Yes; as they came from Malaya.

Prof. N. G. Ranga: Is it not a fact that the Indian Congress in Malaya had expressed complete disapproval of the violent activities pursued by the movement and its leaders in Malaya?

The Honourable Shri Jawaharlal Nehru: That is so.

IMPORT OF ISOTOPES FROM U. S. A.

*417. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Commerce be pleased to state whether India is allowed to import isotopes from the United States of America?

(b) If so, what is the quantity imported so far?

(c) How is it distributed to the various research institutions?

The Honourable Shri K. C. Neogy: (a) Yes.

(b) No imports of this article have so far been made.

(c) Does not arise.

Shri V. C. Kesava Rao: May I ask whether the import of isotopes is governed by any International Convention?

The Honourable Shri K. C. Neogy: I have no information, Sir.

MINIMUM WAGES FOR INDUSTRIAL LABOUR

*418. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Labour be pleased to state the industries for which a minimum wage for labour has been fixed?

(b) What is the minimum wage fixed in each industry?

(c) What are the industries in respect of which no final decision has yet been taken?

The Honourable Shri Jagjivan Ram: (a) to (c). Minimum wages have not yet been fixed under the Minimum Wages Act, 1948. They are due to be fixed before the 15th March 1950 in the case of all industries covered by the Act except agriculture and before the 15th March, 1951 in the case of agriculture. Minimum Wages in certain industries have, however, been fixed in some Provinces by Industrial Tribunals or by orders passed under the Provincial Industrial Disputes Act. A statement of the information received from Provinces in this respect is placed on the table.

STATEMENT

Provincial Government	Industries for which minimum wages fixed	Wages fixed for each industry	Dearness Allowance etc., if any	Industries for which no final decision taken
(1)	(2)	(3)	(4)	(5)
Madras Government	(a) Textile Industry	Rs. 26 p.m.	D. A. at 3 annas and 2¼ annas per point according to the cost of living index numbers in the locality.	1. Printing presses 2. Tanneries 3. Engineering firms and Type foundries 4. Hoisery Factories
	(b) *Motor Transport Services.*			
	1. Drivers	Rs. 40—50 p.m.	For all categories, dearness allowance is paid at Rs. 25 p.m. in cities and Rs. 20 in the mufassal.	
	2. Conductors	Rs. 30 p.m.		
	3. Chief Checking Inspectors	Rs. 50 p.m.		
	4. Checking inspectors	Rs. 35 p.m.		
	5. Cleaners	Re. 0-12-0 per day		
	6. Unskilled workers	Rs. 0-14-0 per day		
	7. Skilled workers	Rs. 1-8-0 per day.		
Central Provinces and Berar Government	Cotton Textile Mills	Rs. 26 p.m. for the unskilled employees of the lowest class for the year from the 1st January 1948.		1. Glass Industry 2. Oil Mills 3. Transport services 4. Cement Industry 5. Potteries
West Bengal Government	(i) Engineering	*Manual Workers*— Unskilled Rs. 30 p.m. Semi skilled Rs. 35 p.m. *For Clerical Staff*— Non-matric Rs. 55 p.m. Matric Rs. 60 p.m. Graduates Rs. 70 p.m.	Upto Rs. 50 of basic pay Rs. 25 a month From Rs. 51 to 100 Rs. 35 a month From Rs. 101 to 150 Rs. 40 a month From 151 to 200 Rs. 45 a month From Rs. 201 andabove Rs. 50 a month	
	(ii) Cotton Textile	For manual workers— Re. 20 p.m. For clerical staff— Non-matric Rs. 60 p.m. Matric Rs. 70 p.m.	Re. 30 a month flat rate for each male and Rs. 22-8 for each female worker. For clerical staff Rs. 35 flat rate per mensem.	

West Bengal Government —contd	(iii) Jute Textiles	For manual labour— Rs. 26 p.m. For clerical staff— Grade I (Graduates)—Rs. 70 p.m. Grade II—Rs. 55 p.m.	Rs. 32-8-flat rate per mensem.		
	(iv) Printing Presses	From Rs. 20 to Rs. 250 p.m. for various categories of the employees			
	(c) Flour and Atta Mills (Major Mills)	Unskilled Rs. 30-1-0 p.m. Semi skilled Rs. 36-15-6 p.m. skilled Rs. 55-4-0 p.m.	Rs. 24-12-6 (Flat rate) Food concessions stopped.		
	Minor Mills	Unskilled Rs. 45 p.m. Semi skilled Rs. 52 p.m. Skilled Rs. 65 p.m. (where workers are paid on the *monthly system*) Unskilled Rs. 1-11-9 per day Semiskilled Rs. 2 per day Skilled Rs. 2-8-0 per day (where workers are paid on the *daily system*)	The minimum wages include dearness allowance. The minimum wages include dearness allowance.		
United Provinces Government.	*Textile concerns*— Cotton and woollen industry	For industrial employees Rs. 30 p.m. in the urban areas of the cities of Kanpur, Agra, Meerut, Bareilly Lucknow, Allahabad and Banaras only and Rs. 28 p.m. in other places.	Cost of living Index Number 100—125 126—200 201—300 301—400 401—500 501—600 601—700	Dearness allowance in annas per point Textile industry in all areas. nil 3·0 annas 2·8 annas 2·7 annas 2·5 annas 2·3 annas 2·0 annas	
		For clerical employees— Rs. 55 p.m. (for matriculates) Rs. 40 p.m. for those having lower qualifications.		Electricity Undertaking at Kanpur Lucknow, Allahabad, Benares, Agra Meerut and Bareilly	

1	2	3	4	5
			Cost of living Index	
	Electricity Undertakings	*For Industrial employees*— Rs. 30 p.m. in the undertakings at Kanpura, Agra, Meerut, Bareilly, Lucknow, Allahabad and Banares and Rs. 28 p.m. in other places.	Number:—	
			100—125	nil.
			126—200	2·5 annas
			201—300	2·4 annas
			301—400	2·3 annas
			401—500	2·2 annas
			501—600	2·0 annas
			601—700	1·8 annas
		For clerical employees— Rs. 55 p.m' for matriculates Rs. 40 p.m. for those having lower educational qualifications.		Electricity undertaking in other places (deamrness allowance in annas per point rise).
			101—125	nil
			126—300	2·0 annas
			301—500	1·9 annas
			501—700	1·8 annas
	Sugar Factories in the United Provinces.	The following increase in the prevailing wages of workmen during the crushing season 1945-46 subject to marginal adjustment in each case :—		
		Wage levels of 1945-46	Increase	
		1. Rs. 22.8-0 p.m.	Rs. 32/8/- p.m.	
		2. Rs. 23 to 30 p.m.	An increase of	Rs. 32/8 p.m.
		3. Rs. 31 to 40 p.m.		Rs. 28/14 p.m.
		4. Rs. 41 to 50 p.m.		Rs. 26/8 p.m.
		5. Rs. 51 to 100 p.m.		Rs. 24/- p.m.
		6. Rs. 101 to 200 p.m.		24% of pay p.m.
		7. Rs. 201 to 300 p.m.		18% of pay p.m.
		These increased rates will be in force during the crushing season 1948-49.		
Assam . . .	Plantations Assam Valley	Male As. -/8/- per day Female As. -/6/- per day Minor As. -/4/- per day	As. -/5/6 per day As. -/5/6 per day As. -/3/- per day	1. Rice and Oil Mills 2. Printing Presses 3. Steamer Ghats.

		District of Chechar— Adult { Male As. -/8/- per day; Female As. -/6/- per day; Minor As. -/4/- per day	As. -/5/- per day; As. -/5/- per day; As. -/3/- per day	
Bombay Government	(1) Cotton Textile Industry	Operatives: Bombay Rs. 30 p.m.; Ahmedabad Rs. 28 p.m.; Surat Rs. 26 p.m.; Sholapur Rs. 26 p.m.; Barsi Rs. 21/8/6 p.m.; Gadag Rs. 21 p.m.	Clerks: Rs. 65 p.m.; Rs. 40 p.m.; Rs. 50 p.m. (for English knowing Clerks); Rs. 30 p.m.	1. Engineering Industry
	(ii) Banking Industry—	Clerks / Peons / Sweepers		
		Bombay: Big Banks Rs. 85 / Rs. 30 p.m. / Rs. 20 p.m.		
		Small Banks Rs. 55 / Rs. 24 p.m. / Rs. 15 p.m.		
		Ahmedabad As fixed in Bombay.		
Bibar . . .	Sugar Insustry . . .	Rs. 55 p. m. (during the current crushing season)		
Administrations—				
Delhi . . .	An enginseering concern Cement pipe and lace Factory	Rs. 26 p.m. for an unskilled worker, an accepted by parties		Unskiled textile workers.
Ajmer-Merwara				1. Tobacco (including Bidi making) Manufactory. 2. Employment under local authority.

Prof. N. G. Ranga: What is the relationship between the minimum wages and the Fair Wages Committee that the Government of India have appointed and is working at present?

The Honourable Shri Jagjivan Ram: I think the report of that Committee will also help in fixing the minimum wages in the scheduled industries.

Shri B. P. Jhunjhunwala: What is the basis by which these minimum wages are fixed and whether these vary from industry to industry and from place to place. If so, which is the industry where the highest minimum wages are fixed?

The Honourable Shri Jagjivan Ram: I would refer my honourable friend to the Minimum Wages Act. In the Act itself, he will find answers to all the questions that he has raised.

Shri V. C. Kesava Rao: May I know whether Government have received any representation for the non-payment of these wages?

The Honourable Shri Jagjivan Ram: As I have explained that under the Act, minimum wages have not been fixed, but some of the Provincial Governments have fixed minimum wages as a result of the recommendations of Tribunals in certain industries.

Prof. N. G. Ranga: What steps are being taken to appoint those committees, *i.e.*, the minimum wage boards, which are to be established in different industries before the minimum wage comes to be fixed?

The Honourable Shri Jagjivan Ram: A few of the Provincial Governments have already set up Minimum Wages Boards and other Provincial Governments have been requested to expedite the setting up of such boards.

Pandit Mukut Bihari Lal Bhargava: May I know if any such boards are being appointed in the Centrally Administered Areas, such as, in Ajmer-Merwara?

The Honourable Shri Jagjivan Ram: It has not been appointed as yet, but it will be set up.

Shri Sita Ram S. Jajoo: Has any Indian State also fixed these minimum wages?

The Honourable Shri Jagjivan Ram: The information is not readily available.

RESETTLEMENT OF REFUGEE ENGINEERS

*419. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state what is the number of refugee engineering personnel resettled after partition?

(b) What is the number yet to be provided with jobs?

(c) In what way are Government helping these engineers to secure jobs in non-Government institutions?

The Honourable Shri N. V. Gadgil: (a) 18,250 including Government servants and non-officials.

(b) 3,524, of which 482 are Government servants and the rest non-officials. The question of the employment of 478 of these Government servants is now under consideration.

(c) Officers of the Government of India have been visiting important Centres in India and contacting the more important Engineering and Commercial firms in order to induce them to use the Employment machinery set up by the Government.

Shri Jainarain Vyas: Arising out of the answer to part (a), does the figure include the Engineers employed in the Indian States also?

The Honourable Shri N. V. Gadgil: I would require notice for this.

Pandit Lakshmi Kanta Maitra: May I enquire of the Honourable Minister if by this engineering personnel, he also means and includes the engineering personnel who have opted out from Assam, but have not been provided and also the engineering personnel that have opted out from Eastern Pakistan, but have not been settled anywhere?

The Honourable Shri N. V. Gadgil: According to the policy of the Government, Government servants belonging to the Provinces of N.W.F.P., Baluchistan and Sind are given higher priority than non-Government servants of Bengal, Assam, and Punjab for purposes of re-employment.

Prof. N. G. Ranga: Have all the Public Works Departments of the provinces been notified of the fact that there are so many engineers who have specialised in irrigation?

The Honourable Shri N. V. Gadgil: I think Government do take notice of that.

Pandit Lakshmi Kanta Maitra: In view of the scarcity of engineering scientific personnel in this country, does the Honourable Minister consider the desirability of absorbing all the surplus engineering personnel, which are available and which are unemployed?

Mr. Speaker: Order, order.

Mobile Employment Exchanges and Cottage Industries for Refugees

*420. **Seth Govind Das:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether it is a fact that Government are contemplating to introduce mobile employment exchanges and cottage industries to help the rehabilitation of refugees?

(b) If so, what is the progress so far made in that direction?

The Honourable Shri Mohan Lal Saksena: (a) Yes.

(b) Thirty-eight Mobile sections attached to various Employment Exchanges in India have started to assist employment seekers including refugees. Five more Mobile sections are expected to start functioning in the near future.

As regards cottage industries, it has been suggested to Provincial and State Governments that: (i) they should start new town-ships round a number of cottage and small-scale industries at sites now occupied by Refugee Camps or elsewhere; (ii) refugees should be encouraged to form Industrial Cooperative Societies which should be given loans where necessary; (iii) workshop equipment should be provided at Refugee Camps so that refugees may have an opportunity to engage themselves in gainful occupation; and (iv) they should rapidly examine the possibility of expanding cottage and small scale industries or starting new ones from the point of view of refugee rehabilitation, without waiting for the preparation of long term plans.

Seth Govind Das: Has the Government received any report from any province where these refugees are being rehabilitated, whether they have started any cottage industries?

The Honourable Shri Mohan Lal Saksena: Yes. From certain provinces we have received reports that they have started work centres.

Seth Govind Das: Which are those provinces from which these reports have been received so far?

The Honourable Shri Mohan Lal Saksena: I would like to have notice of this question, but I can say that we have received reports from the United Provinces and from Bombay.

Seth Govind Das: Has the Government received any report as far as C.P. is concerned?

The Honourable Shri Mohan Lal Saksena: We have not yet received any report from C.P., but we have received certain schemes and I hope that these schemes must be in the course of implementation.

Shri Raj Bahadur: What is the total number of refugees employed through these employment exchangea?

The Honourable Shri Mohan Lal Saksena: I want notice of this question.

HYDRO-ELECTRIC POWER SCHEMES

*421. **Prof. N. G. Ranga:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether Government are pursuing any five or ten year plan to generate the 14 million kwts of electric power that their leaflet No. 5 "Hydro Electric Development in India" envisages?

(b) Had any of their schemes to be postponed because of their anti-inflation policies?

(c) When do they expect to take up the schemes which are awaiting actual construction?

(d) Are any efforts being made to develop factories for the manufacture of equipment and appliances necessary for the implementation of the schemes?

The Honourable Shri N. V. Gadgil: (a) There is no clear-cut five or ten years Plan as such to generate the 14 million kwts of electrical power mentioned at page 19 of Leaflet No. 5 issued by the Central Board of Irrigation. That leaflet, however, gives all the available information about various projects which are at present in hand and others which are either projected or under investigation.

(b) Sanction to the investigation of some schemes was delayed by a few months pending consideration of the anti-inflationary policy of Government. The Economic position of the country and other factors such as the availability of material resources and technical manpower, have however, to be taken into consideration before sanction to construction of any project is finally accorded by Government.

(c) So far as the Central Government are concerned, the construction of the Damodar Valley Project and the Hirakud Dam Project have been taken in hand; other projects are being investigated. The Provincial Governments have also in hand, other projects, *e.g.*, Bhakra and Nangal in the East Punjab; Rihand in the U.P., Mor Project in West Bengal, Tungabhadra in Madras, etc. etc. Each scheme has to be separately considered on merits and it is not possible to say how soon any particular scheme will be taken up for actual construction.

(d) Yes. The matter is under active consideration of the Ministry of Industry and Supply.

Seth Govind Das: Is the Government aware, Sir, about the hydro-electric scheme of Rewa State in Vindhya Pradesh and is Government aware that that scheme was prepared years ago, and is that scheme being considered by the Government?

The Honourable Shri N. V. Gadgil: I want notice of that question.

Shri H. V. Kamath: Arising out of answer to part (b) of this question, is India wholly dependent upon foreign countries in the matter of machinery and expert technicians needed for the development of the schemes?

The Honourable Shri N. V. Gadgil: To some extent, it is true.

Mr. Nazirudddin Ahmad: Will the Honourable Minister be pleased to state with reference to answer to part (b), what progress has been made in the Damodar Valley Scheme?

The Honourable Shri N. V. Gadgil: It is a very big question and requires a detailed answer. I promise the honourable member that on the 27th of this month, a detailed report about the progress of the Damodar Valley scheme will be laid on the table of the House.

SHRI SARAT CHANDRA BOSE'S CRITICISM ON INDIA'S FOREIGN EMBASSIES

*422. **Prof. N. G. Ranga:** Will the Honourable the Prime Minister be pleased to state:

(a) whether the attention of the Government has been drawn to the criticism made by Shri Sarat Chandra Bose on our foreign Embassies and particularly of the Paris Embassy and the India House, published in the press on the 30th December, 1948;

(b) whether Government have found that any of his criticisms are based on facts and if so, whether any action has been taken to correct the ascertained defects in the working of our embassies; and

(c) whether Government have received similar or other complaints from other Indians visiting foreign countries?

Mr. Speaker: Does the honourable member wish to put it? Recently the subject was discussed in this House.

Prof. N. G. Ranga: I want to put part (c) of the question.

The Honourable Shri Jawaharlal Nehru: As you said, Sir, a similar question was answered by me a few days ago. As to part (c); no specific complaints have been brought to our notice.

Shri H. V. Kamath: Has the Prime Minister's attention been drawn to the very latest statement of Shri Sarat Chandra Bose wherein he declared that he is quite prepared to prove every one of his allegations against our embassies in London and Paris before an independent tribunal?

The Honourable Shri Jawaharlal Nehru: I have vaguely heard something about it. But, I am sorry, I have not been able to keep pace with the statements of Shri Sarat Chandra Bose.

Shri H. V. Kamath: Is it not a fact, that the British Government recently appointed the Lynskey tribunal when grave allegations of nepotism, corruption.....

Mr. Speaker: Order, order. The question is out of order.

Shri H. V. Kamath: Does the Prime Minister propose to take a leaf from the British book so as to clear the air.....

Mr. Speaker: Order, order.

The Honourable Shri Jawaharlal Nehru: I do protest against such charges, allegations and insinuations made by the honourable member.

Shri H. V. Kamath: I have not made any charges or insinuations, Sir. I am referring to Shri Sarat Chandra Bose's statement.

Mr. Speaker: What the honourable member says is not quite proper or in good taste.

Srijut Rohini Kumar Chaudhuri: Has the attention of the Honourable the Prime Minister been drawn to the statement appearing in the *Daily Nation* of 5th February, 1949 which has given an answer to some of the observations made by the Honourable the Prime Minister?

Mr. Speaker: That has been answered already. That was the question put by Mr. Kamath.

Srijut Rohini Kumar Chaudhuri: I am referring to the *Daily Nation* published on the 5th February, where a statement of Mr. Sarat Chandra Bose has appeared.

Mr. Speaker: That is the statement referred to by Mr. Kamath. Next question.

REFINERIES FOR IMPORTED CRUDE OIL

*423. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether any experts to survey the possibilities of erecting refineries for manufacture of petroleum products from imported crude oil have arrived from Britain or the United States of America?

(b) If so, what are the details?

The Honourable Shri N. V. Gadgil: (a) A team of six British and American experts was sent out by the Oil Companies at our request in October, 1948 to survey the technical possibilities of setting up refineries in India for treating imported crude oil. They have completed their investigations, and left India by the middle of January, 1949.

(b) The experts will submit their report to the Oil Companies, who in turn are expected to send their reports to the Government of India. No details are yet available.

Shri R. K. Sidhva: Is it not a fact, Sir, that before their departure from India, they stated that India's resources in crude oil are vast and if proper research is made, it could be self-supporting? In view of this report, what steps do the Government intend to take to expedite this matter? When is the report expected, Sir?

The Honourable Shri N. V. Gadgil: When the report is received, due steps will be taken after consideration.

Shri R. K. Sidhva: Have they given any time for the presentation of the report?

The Honourable Shri N. V. Gadgil: No specific time has been laid down. But, it is expected that the report will be submitted to the Government of India before June.

RESOURCES OF CRUDE OIL IN INDIA

*424. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether any effort has been made to prospect for crude oil in India?

(b) Is it a fact that there are vast resources of crude oil in India?

The Honourable Shri N. V. Gadgil: (a) Search for mineral oil has always formed an important part of the activities of the Geological Survey of India. The programme for 1948-49 includes a detailed geological and geophysical investigation for oil in Cutch and Kathiawar, as also in two other areas, *viz.* Subansiri and Khasimara valley in Assam and Jwalamukhi area in East Punjab.

(b) No Sir, Petroleum in commercial quantities has been found so far only in north east Assam, but the output has always been less than 10 per cent. of our demand.

Dr. P. S. Deshmukh: How many Survey Parties are actually working on these Projects?

The Honourable Shri N. V. Gadgil: I have already mentioned in my reply to part (a) that one Party is working in Cutch and Kathiawar and two other Parties are working, one in Assam and one in Jwalamukhi area in East Punjab.

Shri R. K. Sidhva: May I know whether it is a fact that Mr. Mollison of the I.O.C. arrived in India for this purpose and said that if the Government

of India were to establish two installations, they would give two million gallons of crude oil? May I know, if that is a fact, what steps in that direction, the Government intend to take?

The Honourable Shri N. V. Gadgil: I want notice of that question. I do not remember to have read the extract to which the honourable member is referring.

Shri R. K. Sidhva: I am not referring to any newspaper; he has sent a report to the Government.

Mr. Speaker: Any way, he does not remember it.

Shri R. K. Sidhva: Will he enquire from his office?

Mr. Speaker: Of course, that he will do.

The Honourable Shri N. V. Gadgil: Yes.

Dr. P. S. Deshmukh: Are there any foreign experts employed in these parties or survey groups?

The Honourable Shri N. V. Gadgil: There is one employed by the Geological Survey of India.

Dr. P. S. Deshmukh: Is there any proposal or correspondence for obtaining certain more experts from foreign countries for Geological Survey?

The Honourable Shri N. V. Gadgil: That will be taken into consideration.

Srijut Kuladhar Chaliha: Is it a fact, Sir, that oil is found in Patharia in Assam, about which also there is a dispute between us and Pakistan?

The Honourable Shri N. V. Gadgil: I want notice of that question.

Shri R. K. Sidhva: May I know whether oil is found in Tripura?

The Honourable Shri N. V. Gadgil: It is true; oil is found in Tripura.

Pandit Lakshmi Kanta Maitra: Is the Honourable Minister in a position to give an idea of India's requirements of crude oil?

The Honourable Shri N. V. Gadgil: I want notice; I have said it so often.

Expenditure on Rehabilitation of East Bengal Refugees

*425. **Shri Arun Chandra Guha:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state what is the amount spent by the Government of India up to 31st December, 1948, for the relief and rehabilitation of refugees from East Bengal?

(b) How much of this has been for actual relief, how much for rehabilitation and for establishment charges of Governmental organisations?

(c) How many East Bengal refugees have so far been rehabilitated at Government cost?

The Honourable Shri Mohan Lal Saksena: (a) According to the Premier of West Bengal the total expenditure so far incurred is approximately Rs. 1 crore, 59 lakhs; and this is likely to increase to about Rs. 2 crores by 31st March 1949. Apart from this, the West Bengal Government have given loan to the extent of nearly Rs. 21 lakhs.

(b) Details are not yet available.

(c) 8,331.

Shri Arun Chandra Guha: Will the Honourable Minister be pleased to state how this money has been allocated province-wise? How much has been spent by the Central Government and in which of the provinces?

The Honourable Shri Mohan Lal Saksena: May I know how this arises out of the question?

Mr. Speaker: He means district-wise.

Shri Arun Chandra Guha: Province-wise.

The Honourable Shri Mohan Lal Saksena: How does that arise? The question relates to West Bengal.

Shri Arun Chandra Guha: Eastern Pakistan refugees have gone to different provinces. I want to know how much has been spent province-wise.

The Honourable Shri Mohan Lal Saksena: This amount has been spent by the West Bengal Government in West Bengal.

Dr. Mono Mohan Das: May I know, Sir, whether this expenditure has been made by the Central Government or the provincial Government?

The Honourable Shri Mohan Lal Saksena: It is a question of arrangement that this expenditure will be debited to the Central Government. As they go on spending, it is being debited.

Pandit Lakshmi Kanta Maitra: In view of the confusion that has been created by the questions and answers, I want a clear answer to a question which I want to put. The question I want to ask the Honourable Minister is this. Is the Honourable Minister in a position to tell us what exactly is the amount which the Central Government has spent for the rehabilitation and relief of refugees from Eastern Pakistan?

The Honourable Shri Mohan Lal Saksena: I want notice of that question.

Pandit Lakshmi Kanta Maitra: May I ask my honourable friend the Minister for Relief and Rehabilitation if he is aware that the amount of one crore and eighty lakhs he has referred to as spent by the West Bengal Government was promised to be paid by the Central Government and not a farthing has so far been spent?

The Honourable Shri Mohan Lal Saksena: I think it is not correct. As a matter of fact, orders have been issued and the Accountant General can always debit the money that is spent by the different Governments.

Shri Arun Chandra Guha: May I know, Sir, whether these orders have been issued?

The Honourable Shri Mohan Lal Saksena: Orders have already been issued.

Shri Arun Chandra Guha: When?

The Honourable Shri Mohan Lal Saksena: In December last.

Mr. Speaker: What is the necessity for going into all these controversies?

Pandit Lakshmi Kanta Maitra: I am not entering into any controversy. I want to know, is it not a fact that under the circular of 14th December last, all payments on account of rehabilitation and relief of refugees from Eastern Pakistan have been stopped?

The Honourable Shri Mohan Lal Saksena: It is not so. As a matter of fact, I have already informed the honourable member outside that it was a mis-reading of the circular referred to by him. As a matter of fact, it was stated that the expenditure on certain items could be debited to the Government of India straightaway while on others, it had to be approved previously.

Pandit Lakshmi Kanta Maitra: May I enquire of the Honourable Minister if the amount that has been spent by the Government of West Bengal on account of the relief and rehabilitation of the refugees from Eastern Pakistan, have been spent on the definite assurance and promise from the Central Government that the latter will honour this expenditure?

Mr. Speaker: I do not think such a question is a proper one.

Shrimati Renuka Ray: In connection with the two projects of Government at Chittaranjan and Hijli, around which townships are to grow so far as refugees are to be absorbed, has the Central Government decided that priority should be given to refugees from Eastern Pakistan?

The Honourable Shri Mohan Lal Saksena: I am afraid it does not arise from this question.

Srijut Rohini Kumar Chaudhuri: Has any amount been sent by the Central Government to the Government of Assam for the relief of the refugees in that province?

The Honourable Shri Mohan Lal Saksena: I have not been able to follow.

Shri Arun Chandra Guha: Will the Honourable Minister be pleased to procure the information asked for in part (b) of this question?

The Honourable Shri Mohan Lal Saksena: Yes. As a matter of fact we have already asked the different provinces to send monthly information, but we are not getting it.

Prof N. G. Ranga: Has the Government of West Bengal expressed any satisfaction with the procedure that is being followed by the Government of India in this matter?

Mr. Speaker: Order, order. The question need not be answered. I am going to the next question.

Safety and Sanctity of Gurdwaras in Pakistan

*426. **Sardar Bhopinder Singh Man:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether any negotiations have been carried on between Pakistan and India for the safety and sanctity of Gurdwaras in Pakistan and if so, with what results?

(b) What arrangements have been arrived at between Pakistan and India regarding the properties attached to Gurdwaras and especially Nankana Sahib in Pakistan?

The Honourable Shri Mohan Lal Saksena: (a) Yes; in the Inter-Dominion Conference held on 19th September, 1947, it was decided that places in either Dominion, regarded as sacred by any community, should not be allowed to be occupied by members of any other community and that particular care should be taken to preserve such places even if they remained vacant.

As a result of further negotiations it was agreed that all shrines, temples, Gurdwaras, mosques and other religious places which had been damaged during the last communal disturbances should be repaired and the hoisting of any emblem flag, other than that of the religion concerned, on any building or edifice be prohibited.

(b) The matter regarding property of shrines and trusts has been discussed but in view of the complexity of the problem involved it has not been possible to take any decision so far. At the Inter-Dominion Conference held during January, 1949 it has been agreed that a Joint Committee consisting of three members from each Dominion should be appointed to consider the question of trust property including Nankana Sahib. The Committee is expected to submit its report by the end of April, 1949.

Sardar Bhopinder Singh Man: The Honourable Minister has been pleased to refer to property of Gurdwaras and to say that they will not be occupied. Does he refer to the properties attached to the mosques and Gurdwaras?

The Honourable Shri Mohan Lal Saksena: That property is already occupied. It is with reference to other house property or agricultural property. It is only the shrines, the Gurdwaras and mosques that they will not occupy.

Shri H. V. Kamath: The Minister's statement referred to mosques, temples and Gurdwaras. Am I to understand that Christian Churches and Parsi..... .....

Mr. Speaker: Order, order.

Shri H. V. Kamath: Has it come to the notice of the Minister that since this Inter-Dominion agreement a temple in Karachi has been desecrated?

The Honourable Shri Mohan Lal Saksena: Yes, and a protest has been lodged.

Shri H. V. Kamath: What is the reply from the Government of Pakistan?

Mr. Speaker: Order, order.

Shri Raj Bahadur: What is the number of temples and Gurdwaras desecrated and is the Government prepared to get them re-consecrated and restored?

The Honourable Shri Mohan Lal Saksena: I shall require notice of that question as the information is not available.

INDO-BURMA TALKS ON BURMA LAND ACT

*427. **Shri M. Ananthasayanam Ayyangar:** Will the Honourable the Prime Minister be pleased to state:

(a) what transpired at the Indo-Burma talks held in November 1948 on the Burma Land Act;

(b) what steps Government propose to take to safeguard the interests of Indian nationals in Burma; and

(c) whether the Government of Burma have assured the Government of India that Indian nationals will not be subjected to any discriminations?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) The honourable member presumably refers to the talks which took place on the 29th November, 1948, between a delegation from Burma led by the Honourable U Win, Minister for Education, Government of the Union of Burma, and the Ministry of External Affairs and Commonwealth Relations, at which Dr. Pattabhi Sitaramayya and the Honourable Shri B. Gopal Reddi, Finance Minister, Government of Madras, were present. The discussions were confined to a general statement of the points of view of the Governments of Burma and India. An invitation on behalf of the Prime Minister of Burma was extended to the Government of India, at this meeting, to send a delegation to Burma, for discussion on matters arising of the Land Nationalisation Act, passed by the Government of Burma.

(b) Representations to safeguard the legitimate interests of Indians in Burma have been made to the Government of Burma, from time to time. A delegation, led by Dr. Pattabhi Sitaramayya, was to have left for Rangoon on the 2nd February 1949, to discuss matters affecting Indian agricultural interests, as a result of the above mentioned legislation in Burma. Its departure has had to be postponed indefinitely, at the request of the Government of Burma, who are now pre-occupied with the maintenance of law and order in that country.

(c) Yes, Sir.

Shri Mahavir Tyagi: As a result of the negotiations, have there been any improvement in the condition of the Indians there?

Mr. Speaker: Order, order. He has not heard the answer. The question would not have arisen if the honourable member had heard the answer.

Shri Mahavir Tyagi: He said that invitations were sent from time to time to the Government of India. I want to know what were the results of these invitations?

Mr. Speaker: The final negotiations have yet to proceed and because of the situation in Burma Dr. Pattabhi Sitaramayya could not go.

Prof. N. G. Ranga: Is it not a fact that thousands of Indians are now asking for facilities to be repatriated to India?

Dr. B. V. Keskar: As far as our information goes, it is not so, and I may inform the honourable member that in a reply that I gave to another question on this subject with respect to Indians who want to be repatriated, our Ambassador in Burma has been given standing orders that all Indians who wish to return but cannot help themselves, will be helped by our Embassy in Burma.

Shri M. Ananthasayanam Ayyangar: Is the report true that the immediate effect of the Land Nationalisation Act of Burma has been temporarily suspended?

Dr. B. V. Keskar: It is so, but we have no official information about it.

GOLD FIELDS UNDER DIRECT CONTROL OF GOVERNMENT OF INDIA

†*428. **Shri S. Nagappa:** Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) the gold fields in the country that are directly under the control of the Government of India;

(b) how many of these are worked by foreign contractors; and

(c) what are the principles governing these contracts?

The Honourable Shri N. V. Gadgil: (a) to (c). No gold mines are directly under the control of the Government of India. Some mines in Mysore State have been leased to foreign concerns. The terms on which these leases have been granted are not readily available.

OFFICERS AND LABOURERS EMPLOYED IN DADUMA AND HIRAKUD PROJECTS

*429. **Shri Lakshminarayan Sahu:** Will the Honourable Minister of Works, Mines and Power be pleased to state what is the total number of (i) officers and (ii) labourers employed in the Duduma and Hirakud Projects?

The Honourable Shri N. V. Gadgil: Information regarding the Duduma project is being called for from the Governments of Madras and Orissa and will be laid on the table of the House in due course.

As regards the Hirakud Dam Project, the number of officers and labourers employed is as follows:

Officers—84

Subordinates, Clerical and other staff—218

Labourers—4261

Shri Lakshminarayan Sahu: How many of the labourers are local men?

The Honourable Shri N. V. Gadgil: I require notice of that.

Dr. Mono Mohan Das: Is it a fact that a model colony has been constructed for the employees, a high school has been established for the sons of the employees and a cinema house is to be reconstructed for their recreation?

The Honourable Shri N. V. Gadgil: Whatever is necessary for the successful implementation of the project must have been done.

MEDICAL ATTACHES TO INDIAN EMBASSIES

*430. **Shri Brajeshwar Prasad:** Will the Honourable the Prime Minister be pleased to state whether Indian doctors are attached to our Embassies abroad?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): Indian doctors are attached only to our Embassy in Nepal

† Answer to this question laid on the table, the questioner being absent.

at Kathmandu, the Consulate General at Kashghar and the Consulate at Jedda (Saudi Arabia). The two posts last named are at present vacant.

Shri H. V. Kamath: What are the qualifications prescribed for the Medical Attaches to our Embassies?

Mr. Speaker: I believe the usual qualifications!

Shri H. V. Kamath: What are the usual qualifications?

Mr. Speaker: Next question.

APPOINTMENT OF PRIVATE SECRETARIES TO AMBASSADORS

*431. **Shri Brajeshwar Prasad:** (a) Will the Honourable the Prime Minister be pleased to state who appoints the Private Secretaries to our Ambassadors abroad?

(b) What salary is paid to a Private Secretary to an Ambassador?

(c) Is the post advertised in the *Gazette of India* and if not, why not?

Dr. B. V. Keskar (Minister for External Affairs and Commonwealth Relations): (a) Private Secretaries are appointed by the Ministry of External Affairs and Commonwealth Relations in consultation with the Ambassadors concerned.

(b) Service Officers receive their grade pay in the service to which they belong. The basic pay of persons not already in Government service appointed as Private Secretaries to Ambassadors is fixed *ad hoc*, usually at an amount ranging from Rs. 300 to Rs. 500. In addition they receive foreign allowances at rates prescribed for the particular country to which they are sent.

(c) The posts are not advertised, as the officers are either drawn from one of the permanent services under the Government of India, or, are appointed *ad hoc* on the recommendations of the Ambassadors concerned. *Ad hoc* appointments in the latter category are temporary and the incumbent's tenure is restricted to that of the Ambassador selecting him.

Pandit Lakshmi Kanta Maitra: With reference to the answer to part (b) of the question, do I take it that there is no scale of salaries prescribed for private secretaries and that they are left to the sweet will of the Ambassador himself to fix?

Dr. B. V. Keskar: No, Sir. When I referred to "an amount ranging from Rs. 300 to 500" these are the upper and lower limits. It does not mean that there is no scale fixed.

Mr. Tajamul Husain: Does the Ambassador make any appointment? If so, what?

Dr. B. V. Keskar: An Ambassador does not make any appoinment.

Mr. Speaker: It is the External Affairs Ministry which makes appointments in consultation with the Ambassador concerned.

Shri H. V. Kamath: Is the Standing Committee of the Legislature relating to the External Affairs Ministry either consulted or informed about any appointments made in the foreign embassies?

Mr. Speaker: It is not their function to go into executive details.

PROPERTIES OF NON-MUSLIMS IN PAKISTAN

†*432. **Sardar Hukam Singh:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether it is a fact that in pursuance of the terms of agreement entered into at Karachi between India and Pakistan, the Muslims would be permitted to sell away their property in India freely?

(b) What proposals do Government have to safeguard the interests of those non-Muslims who have properties in Pakistan?

† Answer to this question laid on the table, the questioner being absent.

The Honourable Shri Mohan Lal Saksena: (a) The Karachi agreement provides for sales and exchanges of urban immovable property by evacuee owners of either Dominion and the facility of sale is not confined to Muslims only.

(b) It has been agreed that the Dominion and the Provincial Governments in whose area the property is situated will take all possible precautious to ensure that no organised attempts are made to keep the prices of evacuee property below the market level by forming rings, Syndicates, boycott or otherwise. The Agreement also provides that a liaison officer of one Dominion should be appointed to be in close touch with the custodian of Evacuee property of the other Dominion for safeguarding the interests of evacuee owners.

For further details the honourable member is referred to the Agreement, copies of which have already been placed in the Constituent Assembly Library.

EXCHANGE OF EVACUEE'S PROPERTIES IN INDIA AND PAKISTAN

†**433. Sardar Hukam Singh:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether Government are aware of the propaganda carried on by the Pakistan press advising the Muslims not to exchange their properties, but to sell them for cash?

(b) What steps do Government propose to take to ensure that the exchanges take place freely?

The Honourable Shri Mohan Lal Saksena: (a) Some press reports have appeared of propaganda of the type mentioned by the honourable member. I have contacted the Honourable Minister for Refugees, Pakistan Government and both Governments agree that such propaganda should be avoided on either side.

(b) The honourable member is referred to my reply given to part (b) of his Starred Question No. 432.

APPOINTMENT OF A MINISTER FOR PLEBISCITE IN KASHMIR

*434. **Shri Lakshminarayan Sahu:**
Sardar Hukam Singh:
Shri Satis Chandra Samanta:

Will the Honourable the Prime Minister be pleased to state:

(a) whether the attention of Government has been drawn to the news published in the *Statesman* dated the 29th January, 1949 to the effect that Mr. Mushtaq Ahmad Gurmani, Minister without Portfolio in Pakistan, has been entrusted with the work in connection with the plebiscite in Kashmir and that he has set up his office in Rawalpindi; and

(b) whether it is a fact that the Government of India are also contemplating to appoint a Minister who will be entrusted with the work in connection with the plebiscite in Kashmir and that his office will be set up in Srinagar?

The Honourable Shri Jawaharlal Nehru: (a) Yes.

(b) No, Sir.

OVERSEAS SHIPPING CORPORATIONS

*435. **Prof. K. T. Shah:** Will the Honourable Minister of Commerce be pleased to state what progress has been made in the institution of the Overseas Shipping Corporations, and on what basis the agreement with the particular Corporation selected for the purpose was made?

† Answer to this question laid on the table, the questioner being absent.

The Honourable Shri K. C. Neogy: The negotiations with the Managing Agents selected for the first shipping corporation are in the final stages and the Corporation is expected to be registered in the near future. As regards the basis of agreement between Government and the shipping company selected for managing the Corporation which, I presume, is what the honourable member has in mind, I have placed in the library of the House a memorandum recently prepared for the Standing Finance Committee of the House which explains the scheme in full. Briefly, the issued capital of the Corporation will be Rs. 10 crores of which Government will subscribe for and take up 51 per cent., the Managing Agents 26 per cent. and the remaining 23 per cent. will be offered to the public. Government will further take up any portion of the capital not taken up by the public. Provision is made for effective Government control in the Directorate of the Corporation in which the Directors representing Government will ho in a majority. The present target of tonnage for the Corporation is 1,00,000 gross tons.

Prof. K. T. Shah: I want to know if this corporation will be allowed any managing commission as managing agent on behalf of the State; and, if so, whether it would be on the basis of tonnage or mileage or volume of traffic or whatever else the basis may be?

The Honourable Shri K. C. Neogy: All this will be found in the agreement itself. I have already informally supplied my honourable friend with a copy of the agreement. However, I would just state for the information of the House that in the first place the managing agents would not receive any office expenses; secondly, no remuneration would be payable to the managing agents, unless the Corporation earns a profit; and thirdly, the profit of the managing agents will he calculated at 10 per cent. of the net annual profits of the company, subject to 30 lakhs of such profits, and 7½ per cent. on the excess of such profits over 30 lakhs.

Shri M. Tirumala Rao: What is the machinery by which the Government propose to secure the majority of the directors on the Board?

The Honourable Shri K. C. Neogy: The machinery is the appointment of a majority of the directors.

Shri M. Tirumala Rao: By nomination?

The Honourable Shri K. C. Neogy: Yes, by nomination.

Prof. K. T. Shah: Is the agreement similar to the one with the Air-India International Corporation, where commission for managing agency and also subsidy for making good losses are allowed?

The Honourable Shri K. C. Neogy: As a matter of fact if my honourable friend were to compare the terms of the proposed agreement with this Corporation, along with the agreement entered into in the case of the Air-India International, he would find that interests of the Government are even better secured under the proposed agreement with the Shipping Corporation. Perhaps my honourable friend wants to know something about losses. The Government have not guaranteed any dividends, but they have undertaken to make good the losses, if any, incurred during the period of the first five years, the first year, beginning with the start of the accounting year of the company, in which the shipping services of the company commence. Such payments made by Government will, however, have to be repaid to Government from the profits made in subsequent years in accordance with the formula stated in the draft agreement. I think this marks a departure from the terms of the agreement with the Air-India International.

Mr. Homi Mody: I think it is the same.

EVACUATION OF NON-MUSLIM MILITARY POLICEMEN FROM LAS-BELA STATE, BALUCHISTAN

†*436. **Giani Gurmukh Singh Musafir:** (a) Will the Honourable Minister for Relief and Rehabilitation be pleased to state whether Government are aware that about 50 non-Muslim military policemen along with their families are still in Las-Bela State in Baluchistan, Pakistan?

(b) How many representations have so far been received from them?

(c) Are Government aware that they have been there for more than 1½ years and no steps have so far been taken for their evacuation?

(d) Have Government any proposal for their early evacuation?

The Honourable Shri Mohan Lal Saksena: (a) to (c). There are no non-Muslim Policemen or their families left in Las-Bela-State.

(d) Does not arise.

EXPENDITURE ON RELIEF OF EAST BENGAL REFUGEES

*437. **Shri Basanta Kumar Das:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the amount of money spent for relief of refugees from East Bengal;

(b) the different heads under which the money has been spent with amounts under each head; and

(c) the amount of loan advanced to refugees through the Provincial Government or direct?

The Honourable Shri Mohan Lal Saksena: (a) and (c). The honourable member is referred to the reply given by me to part (a) of Starred Question No. 425, by Shri Arun Chandra Guha, earlier today.

(b) Details are not yet available.

Srijut Rohini Kumar Chaudhuri: May I know if any relief or rehabilitation work is being carried on in the province of Assam for the relief of the East Bengal refugees? If so, what amount, if any, has been spent by the Government of India?

The Honourable Shri Mohan Lal Saksena: As I have already stated before I shall require notice of this question.

Srijut Rohini Kumar Chaudhuri: The notice is already there.

Mr. Speaker: The Honourable Minister wants a specific question so that he could make an enquiry.

Shri Mahavir Tyagi: In view of the evasive replies always given regarding refugees from East Pakistan, may I know if the Government is not directly dealing with the question of the rehabilitation of the refugees from Eastern Pakistan?

Mr. Speaker: It does not follow like that.

Shri Mahavir Tyagi: I am anxious to know if the Central Government are directly doing anything towards the rehabilitation of refugees who come from Eastern Pakistan.

The Honourable Shri Mohan Lal Saksena: Yes, Sir.

Pandit Lakshmi Kanta Maitra: Will the Honourable Minister kindly let us know if it is the policy of the Government to treat the refugees from Eastern Pakistan on the same footing as refugees from the Western Pakistan in the matter of relief and rehabilitation?

† Answer to this question laid on the table, the questioner being absent.

The Honourable Shri Mohan Lal Saksena: As a matter of fact so far as refugees from East Pakistan are concerned there is a slight difference. First of all the policy of the Government has been to create conditions in East Pakistan itself to stop the exodus of refugees from there and also to encourage those who have come to go back. After that as many as are left we are going to do all that we can to rehabilitate them.

Sardar Bhopinder Singh Man: What are those specific plans by which you are encouraging them to go back to East Pakistan?

The Honourable Shri Mohan Lal Saksena: As a matter of fact negotiations were undertaken between the two Dominions in December last. As a result of that joint property boards and minority boards have been established both in Eastern and Western Bengal, and I think in consequence of this the exodus has stopped to a considerable extent.

The Honourable Shri Jawaharlal Nehru: May I say a word about this question of helping refugees from Eastern Pakistan? Of course there can be no differentiation whatever in regard to the help given to any refugees, whether from the West or the East. There is none. But the question in regard to rehabilitation which arises has to be placed on a slightly different footing. That is we are rehabilitating people through the agency of the West Bengal Government. I cannot say what the Government of India is doing directly but naturally we are functioning as far as possible through the agency of the West Bengal Government. At the same time, we are trying, as the Honourable Minister for Relief and Rehabilitation has said, as far as possible not to encourage any large numbers migrating. Those who have come of course we shall help as far as we can. We could not really control that, because that depended so much on the policy of the East Bengal Government. However, recent events have shown that that migration has stopped practically completely in the last two or three months. Now we have a static problem, that is those who have already come over. Out of these some have gone back. I do not think any large numbers have gone back but a few have gone back and a few more may go. Meanwhile plans for rehabilitation are being considered. We hope that more will return. But naturally that would depend on circumstances on the other side too. Meanwhile large numbers are being provided for. The question of rehabilitation is being considered, but we always live in the hope that many of them may be able to go back because of conditions arising which would enable them to go back. If they do not, of course it is our responsibility and we are proceeding on those lines.

Mr. Speaker: The question hour is over.

(*b*) WRITTEN ANSWERS

RECOGNITION OF ISRAEL STATE BY GREAT BRITAIN

*438. **Shri Biswanath Das:** Will the Honourable the Prime Minister be pleased to state whether Great Britain consulted India before she decided to recognise Israel as an independent State?

The Honourable Shri Jawaharlal Nehru: Government of India were informed by the United Kingdom Government of the action they proposed to take.

INDIAN EMBASSY IN MOSCOW

*439. **Shri Biswanath Das:** Will the Honourable the Prime Minister be pleased to state whether the Indian Embassy is located in a few rooms in the flat of a building in Moscow for which a heavy rent is charged by the Government of Soviet Russia?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): No; a fairly commodious building has now been allotted for our

embassy in which the Ambassador and non-diplomatic staff are housed A monthly rent of Rs. 8,720 is being paid for this building.

CABINET LEVEL RELIEF AND REHABILITATION COMMITTEE

*440. **Giani Gurmukh Singh Musafir:**
Master Nand Lal:
Lala Achint Ram:
Pandit Thakur Das Bhargava:

(a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state when the Cabinet level Relief and Rehabilitation Committee under the chairmanship of the Honourable the Prime Minister was constituted?

(b) What are the functions of this Committee?

The Honourable Shri Mohan Lal Saksena: (a) On the 24th November, 1948.

(b) To expedite policy decisions on matters relating to the relief and rehabilitation of refugees.

CONSTRUCTION OF HOUSES IN BASTI THAN SINGH NAGAR, KAROL BAGH, DELHI

*441. **Shri Damodar Swarup Seth:** Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) whether it is a fact that plans for the building of houses in the area known as Basti Than-Singh-Nagar, near Anand Parbat, Karol Bagh, Delhi, are not being passed;

(b) whether the area referred to above has provision for streets, sanitation and roads in the existing sites; and

(c) whether Government propose to permit temporary constructions in the above-mentioned area to such of the legal holders of the building plots as are prepared either to pay to Government the costs of sanitary installations and other developments in the area or to demolish the temporary buildings without claiming for compensation when so required and if not, why not?

The Honourable Shri N. V. Gadgil: The question should have been addressed to the Honourable Minister of Health. It has accordingly been transferred to the list of questions for 22nd February, 1949 when the Honourable Minister for Health will answer it.

INDUSTRIES RECRUITING LABOUR THROUGH CONTRACTORS

*442. **Shri Damodar Swarup Seth:** Will the Honourable Minister of Labour be pleased to state the names of the industries in which labour is still recruited through contractors or middle-men?

The Honourable Shri Jagjivan Ram: According to the information contained in the reports of the Labour Investigation Committee, labour is still recruited through contractors or middle-men in the following industries:

(1) Cement, (2) Coir Matting, (3) Cotton Ginning and Baling, (4) Mining, (5) Ports, (6) Dockyards, (7) Central Public Works Department, (8) Railways, (9) Tanneries, (10) Chemical, (11) Sugar Factories, (12) Plantations, (13) Engineering, (14) Mineral Oil, (15) *Bidi* Manufacture, (16) Carpet Weaving, (17) Cotton Textile (in certain areas) and (18) Paper Mills.

CONSTITUTION OF WORKS COMMITTEES OF FACTORIES

*443. **Shri Damodar Swarup Seth:** Will the Honourable Minister of Labour be pleased to state:

(a) whether the Constitution of the Works Committees of factories is uniform in all the provinces of the Indian Union;

(b) the method by which the representatives of workers are elected or selected to sit in the Works Committees;

(c) how workers are permitted to elect their representatives to Works Committee in a factory in which there are more than one labour union; and

(d) whether workers representation is allowed on the strength of their union's membership or on the basis of the affiliation of unions to a particular trade union congress?

The Honourable Shri Jagjivan Ram: (a) So far as Works Committees constituted under the Industrial Disputes Act, 1947, are concerned, there is general uniformity but some provinces, namely, Bombay, United Provinces and Central Provinces and Berar, have enacted independent legislation governing industrial relations.

(b) In regard to central undertakings, attention is invited to Part V of the Industrial Disputes (Central) Rules, 1947 dealing with Works Committees. A copy of the Rules will be found in the Library of the Legislature. In the case of undertakings falling within the Provincial sphere, similar rules with minor changes have been framed by the Provincial Government under the Central Act.

(c) There is no specific provision relating to this in the Central or Provincial Rules framed under the Central Act—except in the case of Madras where the members of each registered union of workmen in an industrial establishment are allowed to elect at least one representative.

(d) Under the rules framed under the Central Act, representation to workers is allowed not on the basis of affiliation to any trade union congress but generally in accordance with rule 36 in Part V of the Industrial Disputes (Central) Rules mentioned above. In the case of the United Provinces, however, representation is restricted on the basis of affiliation of a registered trade union to an Organisation recognised by the Provincial Government. Where there is no such union, the representatives are elected at a meeting of all workmen.

UNSTARRED QUESTIONS AND ANSWERS

ALLOTMENTS BY CUSTODIAN OF EVACUEES PROPERTY.

24. Master Nand Lal: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state how many applications were received by the Custodian of Evacuees Property in Delhi during the period from 1st September, 1947 to the 30th November 1947 for allotment of (i) houses; (ii) shops; and (iii) factories?

(b) How many of these applications were considered by the Department and how many were accepted and how many rejected?

(c) How many applications have been received during the period from 1st December, 1947 to 31st December, 1948 for allotment of (i) houses; (ii) shops; and (iii) factories?

(d) Out of these, how many have accepted?

The Honourable Shri Mohan Lal Saksena: (a) (i). Number of applications for allotment of houses received from 1st October to 13th October, 1947—17,408 (excluding 6,656 occupation reports received upto 8th October, 1947).

From 14th October, 1947 to 29th February, 1948—6,875.

(ii) Number of applications for allotment of shops received upto 13th October, 1947—nearly 11,000.

(iii) Number of applications for allotment of factories/workshops/industrial premises upto 3rd January, 1948—about 1,900.

Number of subsequent applications—about 200.

(b) (i) About half of the applications received upto 18th October, 1947 have been covered by fresh and confirmatory allotments and the exact number of those rejected cannot be given at this stage.

(ii) About 2,800 applications have been covered by fresh and confirmatory allotments, 1,000 applications are pending disposal and the remainder have been rejected.

(iii) Number of applications accepted—148.

Number rejected—1,748.

(c) (i) Number of applications for allotment of houses from 1st March, 1948 to 31st December, 1948—about 5,000.

(ii) Number of applications for allotment of shops received between December, 1947 and December, 1948—about 4,000.

(iii) Number of applications for allotment of factories/workshops/industrial premises received from 1st March, 1948 to 31st December, 1948—about 200.

(d) These figures are not readily available and it will take considerable time to extract the information from several thousand files. It is doubtful whether any useful purpose will be served by engaging extra staff for scrutinizing the files.

EXPENDITURE OF MINISTRY OF RELIEF AND REHABILITATION

25. Master Nand Lal:(a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state the total amount actually spent by the Ministry of Relief and Rehabilitation from 1st January 1948 to 31st December 1948?

(b) Out of this, how much has been spent (i) on the Staff; (ii) as loan to refugees; (iii) on building quarters for refugees; (iv) on refugee camps; (v) on training centres for refugees; and (vi) on miscellaneous expenses?

The Honourable Shri Mohan Lal Saksena: (a) Figures of expenditure from 1st January, 1948 to 31st March, 1948 are not separately available. Expenditure from the inception of this Ministry, *viz.*, 6th September, 1948 to 31st December, 1948 so far reported amounted to Rs. 22 crores 18 lakhs.

(b) (i) 57 lakhs and 21 thousands.

(ii) 2 crores, 85 lakhs and 85 thousands.

(iii) 1 crore, 52 lakhs and 44 thousands.

(iv) 13 crores, 64 lakhs and 76 thousands.

(v) 28 lakhs and 58 thousands.

(vi) 8 crores 24 lakhs and 21 thousands.

EMPLOYEES IN INDIAN HIGH COMMISSIONER'S OFFICE, LONDON

26. Sardar Hukam Singh: (a) Will the Honourable the Prime Minister be pleased to state what is the number of persons employed in the office of the High Commissioner for India in the U. K. ?

(b) How many of these are Britishers and how many are Indians?

The Honourable Shri Jawaharlal Nehru: (a) and (b). The statement below, gives the information required by the honourable member:

STATEMENT

Distribution by categories of persons employed in the office of the High Commissioner for India in the United Kingdom

Nationality	Heads of Departments	Number of Higher Executive Officers and above	Number of Clerical Officers	Number of Messengers, etc.	Total
(1) Indians	12	35	336	2	385
(2) British Nationals	2	50	384	157	593
(3) Non-Indian non-British Nationals			4	2	6*
TOTAL	14	85	724	161	984

* Five are Burmese. Exact information is not available as regards the nationality of the sixth person.

EMPLOYEES IN INDIAN EMBASSY IN PARIS

27. Sardar Hukam Singh: (a) Will the Honourable the Prime Minister be pleased to state how many persons are employed in our Embassy in Paris?

(b) Is it a fact that a non-Indian is placed in charge of Government's private code in that Embassy?

The Honourable Shri Jawaharlal Nehru: (a) Twenty-three as follows:

Charge d' Affaires	1
First Secretary	1
Second Secretary	1
Information Officer	1
Registrar	1
Cypher Superintendent	1
General Assistant	1
Stenographer (Personal Assistant)	1
Interpreter	1
Passport Assistant	1
Accounts Assistant	1
Typist Clerks	3
Class IV Servants	9
Total	23

(b) No. He is an official of Indian domicile.

SHORT NOTICE QUESTION AND ANSWER

POLITICAL UNREST IN BURMA AND REPATRIATION OF INDIANS

Shri R. K. Sidhva: (a) Will the Honourable the Prime Minister be pleased to state how many Indians are in Burma in the vicinity of the area where Burmese and Karen Troops have come into clash?

(b) Has any arrangement been made for their evacuation and if so, what?

(c) What part of Burma, where Indians reside, is more affected?

(d) How many of the Indians are in Rangoon and are they safe there?

(e) Is it a fact that a large number of Indians are trapped in Insein (Burma)?

(f) If so, what is their condition?

The Honourable Shri Jawaharlal Nehru: (a) Accurate statistics are not available but the total Indian population in Burma is estimated to be about seven lakhs. The majority of them live in the delta area, where, in a number of districts, the Burmese troops have clashed with the Karens.

(b) The main clash with the Karens occurred in the Insein suburb of Rangoon, on the 1st February. When fighting was intensified, a temporary truce was specially arranged by our Embassy for the evacuation of Indians and, as a result, about 4,000 Indians were evacuated to safety in Rangoon. Intense fighting continues in villages around Insein, but not many Indians are believed to have been left behind in this area.

(c) The following districts of Burma are reported to have been affected, more or less, by the present revolt:

Insein, Pegu, Hanthawady, Prome, Tharawady, Toungoo, Maubin, Henzada, Bassein, Moulmein and Thaton.

Indians live in all these districts.

(d) The Indian population in Rangoon is roughly estimated to be about 2 lakhs. The law and order situation in the capital is reported to be practically normal.

(e) and (f). As stated in (b) above, the majority of the Indian population has been rescued to safety from the battle zone in and around Insein.

Shri R. K. Sidhva: Is it a fact that most of the refugees have appealed to the Indian Embassy for speedy repatriation, and if so may I ask whether Government have taken steps to repatriate them?

The Honourable Shri Jawaharlal Nehru: Most of the refugees have not so appealed, as far as I know. In a previous question some reference was also made to Indians in Burma wanting to come back. That was in connection with certain economic measures that the Burmese Government might be taking. As a matter of fact hardly anybody appealed to the Government of India to come back because of that. Now, because of this recent trouble in the last ten days, certainly some people have expressed a desire to come back, and as has been stated, our Embassy has been asked to make all necessary arrangements for those to come back and help them to do so.

Shri H. V. Kamath: How many among our nationals in Burma have been adversely affected by the Burma Government's recent decision to remove all non-Burmese nationals from Government service?

Mr. Speaker: I do not think it arises out of this question.

Shri H. V. Kamath: Are there any Indians serving in the Burmese Army?

The Honourable Shri Jawaharlal Nehru: I am not aware of it.

Shri H. V. Kamath: Has the Prime Minister's attention been drawn to a news report that one Captain Malhotra was Adjutant of the Kachin Rifles stationed at Moulmein?

Mr. Speaker: I do not think it arises.

Shri Biswanath Das: May I know whether Government are aware of the fact that very many people from Orissa, Orissa States and Andhra have been living in Burma and specially in the rebel area, as agriculturists and whether any steps have been taken by the Ambassador to protect their agricultural husbandry and the property that they have left in the rebel area?

The Honourable Shri Jawaharlal Nehru: Government is aware of the fact that many people from Orissa are there. I am not aware of any danger or any apprehension that they might suffer from in regard to their agricultural pursuits. Our Embassy naturally helps any person who comes there; but this particular

question has not arisen. In fact we have been assured both by the Burma Government and, I believe, by our Embassy that thus far their interests are not threatened.

Shri Biswanath Das: Have they seen the information published in today's papers.....

Mr. Speaker: Order, order. I may just invite the attention of the honourable member to the fact that the question relates to the situation created by the clash between the Burmese Government troops and the Karens. The honourable member is going much beyond the question and is referring to the permanent question affecting Indians there.

Shri Biswanath Das: I might in this connection state that I have given notice of an adjournment motion.

Mr. Speaker: That will be dealt with on a different occasion at the proper time. Because he has given notice of an adjournment motion it does not mean that any question contained therein will be taken up now.

Shri Biswanath Das: That is not my purpose. After that I had given notice also of a short notice question which you did not allow on the ground that one short notice question has already been accepted by the Honourable the Prime Minister. Therefore necessarily the points arising out of my question.....

Mr. Speaker: Order, order. The honourable member is arguing. That does not appear to be a proper argument.

Shri L. Krishnaswami Bharathi: Has the Honourable the Prime Minister seen the news that has appeared in the press that in the Insein area over 1,000 Indians have been trapped and it is not found possible to bring them to Rangoon?

The Honourable Shri Jawaharlal Nehru: I have just stated that practically all Indians in the Insein area have been brought to Rangoon. There may be a few but I am almost certain that there cannot be many.

Shri Biswanath Das: Has the Government seen the information published in the papers today that about 125 wardens in Insein jail have requested our Ambassador in Burma to take care to see that they are evacuated from the place, and have any steps been taken in that direction?

The Honourable Shri Jawaharlal Nehru: Yes, I have seen that in the papers and I am sure our Ambassador is dealing with this matter if he has been approached.

Shri Biswanath Das: Has he also seen the fact published in the papers today.....

Mr. Speaker: He has already said that the matter is left to the Ambassador and he will deal with these matters. That is a clear answer to every question of that type.

Mr. Tajamul Husain: May I ask one question?

Mr. Speaker: I am proceeding to the Legislative Business.

Wednesday
16th February, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II —PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Official Report

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(1st February, 1949 to 23rd February, 1949)

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OF THE

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

1949

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES.

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Wednesday, 16th February, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

QUESTIONS AND ANSWERS.

(See Part I)

11-60 A.M.

PAPERS LAID ON THE TABLE

CONVENTIONS AND RECOMMENDATIONS OF INTERNATIONAL LABOUR CONFERENCE, GENEVA, THIRTIETH SESSION, 1947.

The Honourable Shri Jagjivan Ram (Minister for Labour): Sir, I lay on the table—

(1) a copy of the *Conventions and Recommendations adopted by the International Labour Conference at its thirtieth session held in Geneva in 1947; and

(2) the statement indicating the action which the Government propose to take on those Conventions and Recommendations.

STATEMENT

Action proposed to be taken on the Conventions and Recommendations adopted by the XXXth Section of the International Labour Conference held in Geneva in June-July, 1947.

The XXXth Session of the International Labour Conference convened at Geneva in June-July, 1947, adopted the following Conventions and Recommendations:—

(1) Convention No. 81 concerning labour inspection in industrial and commercial undertakings;

(2) Convention No. 82 concerning social policy in non-metropolitan territories;

(3) Convention No. 83 concerning the application of international labour standards to non-metropolitan territories;

(4) Convention No. 84 concerning the right of association and the settlement of labour disputes in non-metropolitan territories;

(5) Convention No. 85 concerning labour inspectorates in non-metropolitan territories;

(6) Convention No. 86 concerning the maximum length of contracts of employment of indigenous workers in non-metropolitan territories;

(7) Recommendation No. 81 concerning labour inspection; and

(8) Recommendation No. 82 concerning labour inspection in mining and transport undertakings.

* Not printed in the Debates. A copy placed in the Library.—*Ed. of D.*

A printed copy of the texts of the above Conventions and Recommendations is attached.

As required by Article 19(5) of the constitution of the I.L.O., the Conventions and Recommendations are required to be brought before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

2. Conventions Nos. 82, 83, 84, 85 and 96 relate to non-metropolitan territories. Since India is not a non-metropolitan territory and does not have any non-metropolitan territories under her, she is not concerned with these five Conventions. The question of taking action on these Conventions does not, therefore, arise.

3. Convention No. 81 consists of two parts, the first part relating to industrial work-places and the second to commercial work-places. Article 25(1) of the Convention allows a Member State to ratify Part I alone and to exclude Part II from acceptance by means of a declaration appended to its ratification.

4. Part I of the Convention prescribes that the ratifying country shall maintain a system of labour inspection in industrial work-places in respect of which legal provisions relating to conditions of work and the protection of workers while engaged in their work are enforceable by labour inspectors.

The functions of the inspection services will be—

(a) to secure the enforcement of the legal provisions referred to above;

(b) to supply technical information and advice to employers and workers regarding the most effective means of complying with the legal provisions;

(c) to bring to the notice of the competent authority defects or abuses not specifically covered by existing legal provisions.

The Convention further lays down the principles that should govern:

(a) the recruitment and training of inspectors;

(b) the qualifications of inspectors;

(c) the powers and duties of inspectors;

(d) the strength and composition of the inspectorate;

(e) the provision of office facilities, transport facilities etc.; and

(f) preparation of annual reports on the work of the inspection services.

The Convention prescribes that appropriate arrangements shall be made to promote (i) effective co-operation between the inspection services and other Government services and public or private institutions engaged in similar activities and (ii) collaboration between the inspectorate and the employers and workers.

5. It may be noted that unlike other I.L.O. Conventions, this Convention enunciates the broad principles that should govern the organisation and administration of factory inspection services and lays down the administrative practice to be followed in order to ensure an efficient and impartial Inspectorate. The Factories Act, 1948, which will come into force on the 1st April, 1949, fully meets the requirements of Part I of the Convention. Though the obligation to implement the Convention will actually arise after 12 months from the date of ratification, it may be mentioned that well-organised factory inspection services already exist in all Provinces and Centrally administered areas.

6. Part II of the Convention provides that the ratifying country shall maintain a system of labour inspection in respect of commercial work-places which are subject to legal regulations. Some of the Provincial Governments have enacted legislation for regulating the conditions of work in shops, commercial establishments, etc. The extent and scope of such legislation, however, vary from province to province. Moreover, there is as yet no Central legislation covering commercial establishments, though proposals for such legislation are under the consideration of the Government of India. In the circumstances, it is felt that India cannot ratify this part of the Convention for some time to come.

7. *The Government of India, therefore, propose to ratify the Convention and to exclude Part II from acceptance by a declaration appended to the ratification.*

8. Recommendation No. 81 stresses that each member should apply, as rapidly as national conditions permit, the suggestions contained in the Recommendation in respect of preventive duties of labour Inspectorates, collaboration of employers and workers in regard to the health and safety of workers, interference or labour inspectors in labour disputes, and information to be contained in the annual reports on inspection. The Recommendation has been brought to the notice of Provincial Governments, the employing Ministries of the Government of India, etc. The Standards laid down in the Recommendation constitute a desirable objective and will be given effect to as far as possible.

9. Recommendation No. 82 requires that each member of the I.L.O. should apply to mining and transport undertakings, as defined by the competent authority, appropriate systems of labour inspection to ensure the enforcement of legal provisions relating to conditions of work and the protection of workers while engaged in their work. This Recommendation is acceptable to the Government of India. In the case of the mines, a system of labour inspection already exists. Similarly, adequate provision has already been made for proper inspection in the case of railways and major ports. As for road, water and air transport, conditions of work are not yet regulated to the desired extent on an All India basis. *It is, however, hoped that when the question of such regulation is taken up, provision will be made for an appropriate system of labour inspection.* The attention of the Provincial Governments has been drawn to the desirability of giving effect to this Recommendation as far as possible in respect of transport undertakings which fall within the Provincial sphere.

COAL MINES LABOUR WELFARE FUND (AMENDMENT) BILL.

The Honourable Shri Jagjivan Ram (Minister for Labour): I beg to move for leave to introduce a Bill to amend the Coal Mines Labour Welfare Fund Act, 1947.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Coal Mines Labour Welfare Fund Act, 1947."

The motion was adopted.

The Honourable Shri Jagjivan Ram: Sir, I introduce the Bill.

BANKING COMPANIES BILL—*contd.*

Mr. Speaker: The House will now proceed with the further consideration of the Bill to consolidate and amend the law relating to banking companies, as reported by the Select Committeee. Clause 80 was under consideration. Amendment No. 184.

The Honourable Dr. John Matthai (Minister for Finance): If I may make a reference to the point that you reserved for consideration yesterday—this is with reference to amendment No. 153 under clause 19—I have had the matter further examined in the light of your suggestion and I am now prepared to accept the amendment of my honourable friend Mr. Naziruddin Ahmad.

Mr. Speaker: This was left over as it was related to clause 46. The honourable Minister now says that he is willing to accept that amendment for deletion of the Proviso.

The question is:

"That in clause 19 of the Bill,—

(i) the first Proviso to sub-clause (2) be omitted; and

(ii) in the second Proviso to sub-clause (2), the word 'further', occurring in line one be omitted".

The motion was adopted.

Mr. Speaker: The question is:

"That clause 19, as amended, stand part of the Bill."

The motion was adopted.

Clause 19, as amended, was added to the Bill.

Mr. Speaker: We now proceed to amendment No. 184.

Srijut Rohini Kumar Chaudhuri (Assam: General): Sir, may I know whether the arrangement which you made yesterday shall hold good today also, that when a particular amendment is opposed by the honourable Minister then no other Member need speak on that amendment?

Mr. Speaker: The honourable Member is placing the whole thing in a ridiculous manner. That was never my meaning, it could never be my meaning. But it should be the anxious consideration of each Member of this House, to save as much time as possible and my anxiety was to avoid unnecessary discussion of any point on which there was a substantial agreement. Therefore, I said that if the honourable Minister accepts an amendment, there was no practical need—considering the discussions that we had at the consideration stage, at the clause-by-clause stage, at the various stages—of again further advancing arguments in support of what the honourable Minister has stated. It is only people who want to oppose it, that might speak. If the honourable Minister wants to oppose the amendment, a member who wants to support it might have to say something, but he could do it briefly. Not that anybody is prevented from exercising his rights, but perhaps the impression created would be that he is addressing for the sake of addressing and therefore wasting the time of the House. I would like to protect Members also against that impression. That was my meaning.

Srijut Rohini Kumar Chaudhuri: If the honourable Minister opposes the motion then any other Member who wants to oppose it need not say anything. That is the position?

Mr. Speaker: He need not say. Not that he will not be permitted to say, but he should not say. It is only a piece of advice or a request or an appeal—it does not go beyond that.

Srijut Rohini Kumar Chaudhuri: When the honourable Minister opposes an amendment, he simply opposes it—he does not produce any grounds. So, if he asks the honourable Member to adduce the grounds should he not be allowed?

Mr. Speaker: No general rule can be laid down. The amendment may be of such a small nature that nothing more can be said than, "I oppose". But if it is of a substantial nature then certainly something can be said.

Which of the amendments is Mr. Naziruddin Ahmad going to move?

Mr. Naziruddin Ahmad (West Bengal: Muslim): I would move Nos. 184 and 186 together. But I would like to know whether they are acceptable. They are of a verbal nature

The Honourable Dr. John Matthai: I do not think, Sir, that it improves the draft at all. I am not inclined to accept.

Mr. Naziruddin Ahmad: Then I am not moving Nos. 184, 185 and 186.

Mr. Speaker: Then the next amendment.

Mr. Naziruddin Ahmad: Sir, "aforesaid" is more sonorous than "said".....

Mr. Speaker. Let us stop it. You are not moving the amendment?

Mr. Naziruddin Ahmad: No, Sir. I am also not moving the next.

Shri Lakshminarayan Sahu (Orissa: General): I move:

"That for part (c) of subclause (3) of clause 30 of the Bill, the following be substituted :

'whether or not the returns received from branch offices of the company have been found adequate for the purpose of his audit, in case the bank auditor thinks that any return does not give adequate information for the purpose of balance sheet; he shall have power to audit the same, and his and his staff fee, shall be paid at the acheduled rates prescribed under the Auditor Certificate Rules, 1922'. "

The amendment is so obvious that I need not explain anything.

Mr. Homi Mody (Bombay: General): No question of audit fees arises.

Shri Lakshminarayan Sahu: The first point is that in case the bank auditor thinks that any return has not given adequate information for purposes of the balance sheet, he has power to audit it. That means he must be
12. NOON allowed to go to the branches and audit accounts. At present he audits the accounts only at the centre. There may be difficulties in the branches and unless the auditor goes to the branches and audits the accounts closely there, it is not possible that mistakes may be found out. That is the first point.

As regards the second point of fees, his staff fee shall be paid at the scheduled rates prescribed under the Auditor Certificate Rules, 1922. These are the two points.

Mr. Speaker: Amendment moved:

"That for part (c) of sub-clause (3) of clause 30 of the Bill, the following be substituted :

'whether or not the returns received from branch offices of the company have been found adequate for the purpose of his audit, in case the bank auditor thinks that any return does not give adequate information for the purpose of balance sheet; he shall have power to audit the same, and his and his staff fee, shall be paid at the scheduled rates prescribed under the Auditor Certificate Rules, 1922'. "

The Honourable Dr. John Matthai: Sir, I regret I must oppose this amendment for this reason, that in the particular clause in which this provision occurs, all that the auditor is asked to do is to produce a report, and sub-clause (3) states the various matters which are to be included in his report. It is not a clause which enjoins any positive action on the part of the auditor. I entirely agree with my honourable friend that the auditor must have powers in case he finds that the information is not adequate, but he has sufficient powers under various clauses in this Bill. Apart from that, the relevant section in the Companies Act still holds good, and that section—section 145—says:

"Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company and shall be entitled to require from the Directors and officers of the company such information and explanition as may be necessary for the performance of the duties of the auditor".

It is not necessary to go beyond that.

Mr. Speaker: The question is:

"That for part (c) of sub-clause (3) of clause 30 of the Bill, the following be substituted:

'whether or not the returns received from branch offices of the company have been found adequate for the purpose of his audit, in case the bank auditor thinks that any return does not give adequate information for the purpose of balance sheet; he shall have power to audit the same, and his and his staff fee, shall be paid at the scheduled rates prescribed under the Auditor Certificate Rules, 1922'."

The motion was negatived.

Mr. Nazirudin Ahmad: Sir, the principle has already been accepted. I find that by an error, almost the same amendment appears in (c) and (e). So I shall put them together in an amended form. I move:

"That in sub clause (3) of clause 30 of the Bill, for the word 'company' wherever it occurs, the words 'banking company' be substituted".

The word occurs in part (b) twice and in parts (c) and (e) once each. Thus there are four places. The principle has already been accepted that wherever the word 'company' occurs, the words 'banking company' should be substituted.

The Honourable Dr. John Matthai: It is quite unnecessary. It does not make the thing any clearer.

Mr. Speaker: The question is:

"That in subclause (3) of clause 30 of the Bill, for the word 'company' wherever it occurs, the words 'banking company' be substituted".

The motion was negatived.

Mr. Speaker: The question is:

"That clause 30 stand part of the Bill."

The motion was adopted.

Clause 30 was added to the Bill

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar)*]

Mr. Nazirudin Ahmad: I move:

"That in clause 31 of the Bill for the words 'auditor's report' the words 'auditor's report thereon' be substituted."

The passage says that "the accounts and balance sheet together with the auditor's report" shall be published. The word "thereon" is necessary to fill up a gap. Merely "auditor's report" will not be complete.

Mr. Deputy Speaker: What is the reaction of the honourable Minister?

The Honourable Dr. John Matthai: Quite unnecessary.

Mr. Deputy Speaker: Need I put it to the House?

Mr. Nazirudin Ahmad: No, Sir. I shall move my next amendment. I move:

"That in the Proviso to clause 31 of the Bill, for the words 'in any case', the words 'in the case of any banking company or any class of banking company' be substituted."

Mr. Deputy Speaker: Does the honourable Minister accept it?

The Honourable Dr. John Matthai: No, Sir.

Mr. Nazirudin Ahmad: Then it need not be put.

Mr. Deputy Speaker: The question is:

"That clause 31 stand part of the Bill."

The motion was adopted.

Clause 31 was added to the Bill.

Mr. Nazirudin Ahmad: I move:

"That in sub-clause (1) of clause 32 of the Bill, for the words 'with that section' occurring at the end, the words 'with the said section of the Act' be substituted."

Here the section referred to is that of another Act, namely, the Indian Companies Act. The word "section" in an enactment means section of the enactment in which it occurs, but here there is a reference to another Act. That is why it is necessary to make it clear.

Mr Deputy Speaker: What is the reaction of the honourable Minister?

The Honourable Dr. John Matthai: Definitely opposed.

Mr. Naziruddin Ahmad: Let it be put to the vote, Sir.

Mr. Deputy Speaker: The question is:

"That in sub-clause (1) of clause 32 of the Bill, for the words 'with that section' occurring at the end, the words 'with the said section of the said Act' be substituted".

The motion was negatived.

Mr. Deputy Speaker: The question is:

"That clause 32 stand part of the Bill."

The motion was adopted.

Clause 32 was added to the Bill.

Clauses 33 and 34 were added to the Bill.

Mr. Naziruddin Ahmad: I move:

"That in sub-clause (*1*) of clause 35 of the Bill,—

(i) the words 'to the contrary' occurring in line one be omitted; and

(ii) after the word, figures and brackets '(VII of 1913)', the words 'to the contrary' be inserted."

Obviously, the words " to the contrary " are transposed to a different place. The context says: "Notwithstanding anything to the contrary contained". I beg to submit the words "anything contained" are happy pairs. "To the contrary" is not related to this combination. Therefore, the proper expression would be to remove the words "to the contrary" from the happy combination, that is to say, it would read: "Notwithstanding anything contained to the contrary". That is the need for this change.

Mr. Deputy Speaker: The question is:

"That in sub-clause (1) of clause 35 of the Bill,—

(i) the words 'to the contrary' occurring in line one be omitted; and

(ii) after the word, figures and brackets '(VII of 1913)', the words 'to the contrary' be inserted."

The motion was negatived.

Mr. Naziruddin Ahmad: I move:

"That in sub-clause (*3*) of clause 35 of the Bill, for the words 'may administer an oath accordingly', the words 'may accordingly administer an oath under the Indian Oaths Act (X of 1873)' be substituted."

In this case, power to examine persons and administer oath is given, but the method of oath and the power—the Act under which this power is given is not clear. If the oath is taken under this Act, there is a penalty for making false statements under oath. If the oath is a formal one, there will be no such penalty. The requirement of oath would invest the enquiry with some amount of dignity. There will be the fear that if any false statement is made there will be prosecution. That is why mention of the words 'under the Indian Oaths Act' would be more appropriate.

The Honourable Dr. John Matthai: I oppose the amendment because, an oath under the Indian Oaths Act, administered by any person authorised to administer it, attracts the penalty provided for false statements under the Indian Penal Code. I looked up the Indian Oaths Act section 4 which says, that all persons having authority by law to receive evidence are authorised to administer the Oath. Therefore, this particular person, who is authorised by

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this law to administer the oath, will come under that Act, and any false statement made to him will attract the penalties provided in the Indian Penal Code. The amendment is quite unnecessary.

Mr. Naziruddin Ahmad: In that case I do not press my amendment.

Mr. Deputy Speaker: The honourable Member may move his next amendment.

Mr. Naziruddin Ahmad: Sir, in view of what the honourable Minister just now said, I propose to drop the first part of amendment No. 206 and move only the second part. I beg to move:

"That after sub-clause (3) of clause 35 of the Bill, the following new sub-clause be inserted :

'(3a) A person making an inspection under sub-section (3) shall be deemed to be a public servant within the meaning of section 19 of the Indian Penal Code (XLV of 1860)'."

If the man who makes the enquiry is made a public servant, then the refusal to answer questions put by him or obey the summons issued by him would become punishable under the Indian Penal Code. It is to invest the person making the enquiry with this authority that this amendment is necessary. This would ensure obedience to his authority.

Mr. Deputy Speaker: Amendment moved:

"That after sub-clause (3) of clause 35 of the Bill, the following new sub-clause be inserted :

'(3a) A person making an inspection under sub-section (3) shall be deemed to be a public servant within the meaning of section 19 of the Indian Penal Code (XLV of 1860)'."

The Honourable Dr. John Matthai: I may perhaps explain that the object of my honourable friend is met already in effect by clause 46(2) of this Bill. It says:

"If any person fails to produce any book, account or other document or to furnish any statement or information which under sub-section (2) of section 35 it is his duty to produce or furnish or to answer any question relating to the business of a banking company which he is asked by an officer making an inspection under that section, he shall be punishable with a fine....."

Mr. Naziruddin Ahmad: Refusal to attend is not covered by the sub-clause.

The Honourable Dr. John Matthai: Substantially it provides. In any case he will be regarded as a public servant and the provisions regarding obstruction would apply to this person.

Mr. Naziruddin Ahmad: A public servant has been defined in the Indian Penal Code. Unless it is extended to this Bill, it cannot apply to this case.

The Honourable Dr. John Matthai: We have looked it up and we are satisfied.

Mr. Naziruddin Ahmad: Failure to appear is not covered by that.

The Honourable Dr. John Matthai: For the purpose of this Bill, this is sufficiently covered by the clause.

Mr. Deputy Speaker: The question is:

"That after subclause (3) of clause 35 of the Bill, the following new sub-clause be inserted :

"That after sub-clause (3) of clause 35 of the Bill, the following new sub-clause be a public servant within the meaning of section 19 of the Indian Penal Code (XLV of 1860)'."

The motion was negatived.

Mr. Naziruddin Ahmad: I beg to move:

"That in sub-clause (5) of clause 35 of the Bill, after the words 'banking company' the words 'and after considering the explanations of the banking company if any,' be inserted'".

Sir, in regard to the notice issued to a banking company about a certain action proposed, if the party concerned fails to make his appearance, certain consequences follow. In such cases it is but fair that an explanation if any should be compulsorily considered, though not accepted.

The Honourable Dr. John Matthai: I may perhaps explain the position. If the honourable member will refer to sub-clause (4) he will find that it provides: 'after giving such opportunity to the banking company to make a representation in connection with the report as, in the opinion of the Central Government, seems reasonable'. I do not see why any other provision is necessary.

Mr. Nazirudding Ahmad: But consideration of the representation has to be made compulsory.

Mr. Deputy Speaker: When an opportunity to make a representation is given, does it not follow that there will be consideration of it? I will now put the amendment to vote.

The question is:

"That in sub-clause (5) of clause 35 of the Bill, after the words 'banking company', the words 'and after considering the explanations of the banking company if any,' be inserted."

The motion was negatived.

Mr. Nazirudding Ahmad: I beg to move:

"That in sub-clause (5) of clause 35 of the Bill, for the words 'as may appear necessary', the words 'if it considers necessary or desirable in the interest of the depositors or of the public', be substituted."

This refers to the publication of the state of affairs of a bank. If publication is made automatic and in all cases, unnecessary publication may damage the reputation of a bank. In these circumstances, two definite tests should be laid down. I am merely making a suggestion. If the honourable Minister does not accept it, I do not want to press it.

Mr. Deputy Speaker: The question is:

"That clause 35 stand part of the Bill."

The motion was adopted.

Clause 35 was added to the Bill.

The Honourable Dr. John Matthai: I beg to move:

"That in part (c) of sub-clause (1) of clause 36 of the Bill for the words, brackets and figures 'clause (3) of section 18', the words, brackets and figures 'clause (3) of sub-section (1) of section 18', be substituted."

The way in which section 18 has been amended has split it into two sub-clauses. This amendment has been moved only to make the reference more accurate.

Mr. Deputy Speaker: The question is:

"That in part (c) of sub-clause (1) of clause 36 of the Bill, for the words, brackets and figures 'clause (3) of section 18', the words, brackets and figures 'clause (3) of sub-section (1) of section 18, be substituted."

The motion was adopted.

Mr. Deputy Speaker: The question is:

"That clause 36, as amended, stand part of the Bill".

The motion was adopted.

Clause 36, as amended, was added to the Bill.

Mr. Nazirudding Ahmad: I move:

"That in sub-clause (1) of clause 37 of the Bill, for the words 'for a fixed period of time', the words 'for a period of time not exceeding one year' be substituted."

Clause 37 gives power to Courts to suspend the operation of the commencement or the continuance of any action against a bank. In fact, the Court may on the application of a banking company suspend or stay the commence-

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ment or the continuance of all actions against the company. These are directed against actions taken by shareholders, depositors and others. They may, under the Indian Companies Act, take other steps. This sub-clause (1) of Clause 37, authorises the Court to suspend them. Experience has shown that many banks, who have had fraudulent transactions come to difficulties, and shareholders and others interested, try to wind up the company or to take legal action. Especially in Bengal in some cases they came to trouble. When an *ex parte* application is made to the Court, without hearing the other side and without realizing the difficulties, the Court grant this power, that is, suspension or continuance of all actions against the banks. What happens is that in a banking concern of this type, many bogus creditors and false entries are made, and then the creditors and others try to take action. In the meantime, the bank comes to Court and asks the Court to suspend all actions or stay all actions. In these circumstances, what happens is that the Court is presented with some apparent facts, which apparently give colour to the situation that the bank is really in difficulties without any fraud on their part. In these cases, time is given to the bank in which the bank could compound with creditors or settle matters out of Court and a long time is given. If time is gained, the account books and papers are with the bank, and they can manipulate the account, effect fraudulent preferences with some creditors and then place the shareholders and the depositors ultimately into difficulty. In these circumstances, I submit that action of the type should be controlled.

The House will be pleased to consider that in sub-clause (1), the Court is given a fixed period of time and then again extensions of time not exceeding six months. This is taken from the appropriate section of the Indian Companies Act. The difficulty here arises as it arose under the Companies Act that the extension of time the maximum laid down in this sub-clause is six months. Then it does not represent the total period of time. The original time given by the Court is known to be one year or two years, to allow the company honestly to settle up its difficulty, but then a long period is given and then again extensions are given to the extent of six months by instalments. In the meantime the assets are entirely frittered away or they pass from their hands.

Sub-clause (2) says, however, that no application can be made except on a report of the Reserve Bank. This is a very salutary provision that such action to stop and all actions against the banking company must start on the report of the Reserve Bank, because now the Reserve Bank will have full control of those banks, and will have full possession of facts and would be an expert body quite competent to take a dispassionate and accurate view in the interest of the public, the depositors and of the shareholders and such an action of the suspension of business by the Court would be appropriate. But then the proviso says that relief may be granted even if there is no such report about which I shall refer later on. At present, the amendment is confined to the time given by the Court. I want the time limit to be initial time given by the Court. It is made *ex parte* and without hearing anyone. In these circumstances the limit of one year is just by way of suggestion and I desire that the honourable Minister should consider whether the Court's power to give time initially should be further curtailed, and time of one year is suggested only as a tentative measure. In these circumstances, Sir, I beg to submit, that the present amendment should be considered in this light. My other amendment is only a drafting amendment in order to make the amendment more clear, but my desire is really that honourable Minister should consider the matter as to whether *Carte blanche* should be given to the Court.

Mr. Deputy Speaker: The honourable member says that in all the period of time that is limited as six months should be extended beyond one year, that is the ultimate period.

The Honourable Dr. John Matthai: It is eighteen months.

Mr. Naziruddin Ahmad: The first period is counted apart from the extension of time that is the interpretation under the existing Indian Companies Act. It has happened that Courts have given one year, two years or three years' time and then the question of extension comes. I want to separate the initial time and the extended time. At any rate, there is a doubt as to whether the six months includes the original time or the total time that may be given.

Mr. Deputy Speaker: There is no doubt about that.

Mr. Naziruddin Ahmad: The thing has not been found to be so clear in experience.

Mr. Deputy Speaker: Unless the honourable member thinks it is a matter of such importance that time in the first stage ought to be one year and extended by a period not more than six months in all, eighteen months, there is no point in this amendment.

Mr. Naziruddin Ahmad: If the House considers that the total period of time is six months, then I need not press the matter, but I am told by persons who have experience that difficulties have arisen.

Mr. Deputy Speaker: Difficulties have arisen even before the Bill has been passed. The honourable member after such a long speech is not moving his amendment.

Mr. Naziruddin Ahmad: I have already moved it.

Mr. Deputy Speaker: It is not accepted.

The Honourable Dr. John Matthai: Does the honourable member mean six months in all and extension should not go beyond six months?

Mr. Naziruddin Ahmad: Six months in all, but may from time to time extend the period

The Honourable Dr. John Matthai: Up to a total period not exceeding six months including the fixed period.

Mr. Naziruddin Ahmad: It is capable of doubt

The Honourable Dr. John Matthai: The phrase 'total period' makes it quite clear. If I may explain the point, Sir, the position is really this. When my honourable friend says that it is necessary to give initially a longer period than six months in order to enable the bank to settle its affairs, my honourable friend is looking at it entirely from the point of view of the bank. Now when you declare a moratorium for so long a period as a year, you would have to look at it from the point of view of the depositors and if you declare a moratorium for so long a period, it destroys the confidence of the public, which will result in serious consequences. Supposing in the case of certain banks which have been exempted, it is found that a longer period than this is necessary, we have taken sufficient powers under clause 53 to deal with exceptional cases.

Srijut Kuladhar Chaliha (Assam: General): There is a certain vagueness about this.

Mr. Deputy Speaker: I shall now refer to clause 4, sub-clause (3), where a similar extension is given:

"The Central Government may, be notification in the official Gazette, extend from time to time the period of any suspension ordered under sub-section (*1*) or sub-section (*2*) for such period, not exceeding sixty at any one time, as it thinks fit so however that the total period does not exceed one year."

Even the same expression is used covering the entire period.

Srijut Kuladhar Chaliha: There is no limit to the fixed period of time. What is the fixed period of time? I have a right to fix it as 12 months in the first instance and extend it by another six months. I am entitled to fix it at 12 months.

The Honourable Dr. John Matthai: May I suggest, Sir, that when in the first instance a direction is given in this matter, by the court, the period would be a fixed period, for example, that the moratorium would be in force for a period of two months expiring on a particular date. The point is this. When you declare a moratorium, it must be declared for a fixed period, the duration of which would be absolutely definite and clear to all the people concerned. If it becomes necessary to extend the time, you give another definite period. Altogether, you can extend up to a period the total duration of which is six months.

Srijut Kuladhar Chaliha: I would request the honourable Minister to read it again.

Mr. Homi Mody: Would this wording make it more clear, Sir, "..... it shall think fit and proper, and may from time to time extend the period, but so that the total period shall not exceed six months."

Shri B. L. Sondhi (East Punjab: General): 'Period of moratorium' may be added.

The Honourable Dr. John Matthai: I will accept it, Sir,

Shri Krishna Chandra Sharma (U.P.: General): As the words stand, they are quite clear. Time will never be extended for more than six months. The initial period is included in the six months. The wording is, "may from time to time extend the period up to a total period not exceeding six months in all." It is quite clear.

Mr. Deputy Speaker: Would this suit Mr. Mody? For all the words occurring after the word "period" in the last but one line, substitute the following: "but so that the total period of moratorium shall not exceed six months."

Dr. B. Pattabhi Sitaramayya (Madras: General): Are you having 'but' and 'so that'? Either 'but' is unnecessary or the words 'so that' may be dropped.

Mr. Homi Mody: First the period is fixed and then extension is granted. Therefore, 'but' is necessary. I think this wording is used in legal phraseology.

Dr. B. Pattabhi Sitaramayya: I think 'so however' would be better.

Mr. Deputy Speaker: The question is:

"That in sub-clause (*1*) of clause 37 of the Bill, for all the words occurring after the words 'extend the period' the following be substituted : 'so however that the total period of moratorium shall not exceed six months'."

The motion was adopted.

Mr. Naziruddin Ahmad: I beg to move:

"That the Prviso to clause 37 of the Bill be omitted."

Whatever safeguard in the interests of the public or the depositors was embodied in sub-clause (2) by requiring a report of the Reserve Bank is taken away by the proviso. Before the Court grants time frustrating the attempt on the part of others to proceed against the bank, the Court must have the report of the Reserve Bank. But, the proviso says that for sufficient reasons, the Court may pass an order without the report. I beg to submit this has led to many fraudulent transactions being perpetrated through the Court. when a party appears before the Court *ex parte*, there is no report from the Reserve Bank. There is an apparent state of affairs and on that apparent state of affairs, the Court gives time. I beg to submit that the requirement of the report from the Reserve Bank in the interests of the safety of the public

and the depositors will be seriously impaired unconsciously by a Court not having all the facts in its possession. I should therefore like that the entire proviso be deleted as it would frustrate the very object for which sub-clauses (1) and (2) have been enacted.

Mr. Deputy Speaker: A report is provided for later. After an *ex parte* order, a report is provided for. This is only in emergent cases.

Mr. Homi Mody: The Bank may be in difficulty; there may not be sufficient time for a report.

Mr. Nasiruddin Ahmad: I have an alternative in the next amendment. I may argue that also. I shall move it formally later.

Mr. Deputy Speaker: We may put both to the House. The other amendment refers to 'special reasons'. Then he gives up the first amendment.

Mr. Nasiruddin Ahmad: I move the second amendment alternatively to the first amendment. I move that the proviso be deleted. If it is not accepted, I shall move the other.

The Honourable Dr. John Matthai: I do not accept the first.

Mr. Deputy Speaker: He is not accepting it. Then I need not put it.

Mr. Nasiruddin Ahmad: Then, I move the alternative amendment. I move:

"That in the proviso to clause 37 of the Bill for the worde 'for sufficient reasons', the words 'for especial reazons to be recorded in writing' be subetituted."

I beg to submit that if the Court acts *ex parte*.....

Mr. Deputy Speaker: Is there a case to the knowledge of the honourable member where a Court gives relief without writing?

Mr. Nasiruddin Ahmad: I am told by an expert who has large experiance in this line. What happens is this. The Bank appears before the Court and the Court passes an order. But without mentioning reasons.

Mr. Deputy Speaker: Is that not in writing?

Mr. Nasiruddin Ahmad: The order is in writing but reasons are not recorded in many cases. It says, a *prima facie* case is made out and an order is passed. If it is provided. "for special reasons to be recorded in writing", the Court will think twice before giving an order. A gentleman with sufficient experience of bank failures in Bengal, of which there have been many, has asked me to place this view before this House that this wording in the Companies Act has not been sufficient to induce the Court to record reasons. In these circumstances, if special reasons are to bo recorded, the Court will be more careful and pass an order.

Shri S. V. Krishnamoorthy Rao (Madras: General): Does not that amount to restricting the discretion of the court?

Mr. Nasiruddin Ahmad: It does not; the Court must be satisfied fully as to the thing before passing an order.

Mr. Deputy Speaker: I think such insistence is done in regard to executive officers, but not courts of law. If it is the desire of the honourable member, I will put it to the House.

The question is:

"That in the proviso to clause 37 of the Bill for the worde 'for sufficient reasons', the words 'for special reasons to be recorded in writing', be substituted."

The motion was negatived.

Mr. Naziruddin Ahmad: I move:

"That in the Proviso to clause 37 of the Bill, after the words 'affairs of the banking company', the following be inserted."

'and pending a full report, may call for an interim report on such affairs', "

It has happened that before a full report is obtained, some time will elapse and in the meantime, the assets are frittered away.

Mr. Deputy Speaker: No where in the Bill is there a call for a full report. The words are "shall call for a report". It may be an interim, final, full, or an incomplete report!

Mr. Naziruddin Ahmad: The difficulty of the Reserve Bank will be that if they are to furnish a report, they will have to wait for a final report. In the meantime the Court may pass an order in anticipation of the Reserve Bank report. It may not be full, but it may give the Court a better picture than any expert statement on behalf of the bank. I am told that this amendment also is very necessary.

Mr. Deputy Speaker: Is there anything in the language preventing the Court now from calling for an interim report and then a final report?

Mr. Naziruddin Ahmad: The Bill does not make any distinction between an interim and a final report. If we say so, the Court may grant relief.

The Honourable Dr. John Matthai: It is better to leave it elastic.

Mr. Deputy Speaker: Is the honourable member pressing his amendment?

Mr. Naziruddin Ahmad: I am not pressing

Mr. Deputy Speaker: The question is:

"That clause 37, as amended, stand part of the Bill."

The motion was adopted.

Clause 37, as amended, was added to the Bill.

Mr. Deputy Speaker: What is the Minister's attitude to the amendment by Mr. Naziruddin Ahmad?

The Honourable Dr. John Matthai: What the honourable member tries to do is to transfer Clause 46(5) under Clause 38. I do not know why he wants it.

Mr. Naziruddin Ahmad: Without moving it, I shall explain the reason. The operative provision should be embodied in the proper place in the Bill itself. The place where it has stood, in sub-clause (5) of clause 46 is a place for penalties, breaches and the consequences of such breaches. This sub-clause should be relegated to its proper place, and this is its proper place—where it should be placed. It is the operative part of the Act. In providing for a breach and a penalty, the operative, part is not mentioned.

The House will be pleased to consider the other parts of clause 46. They merely refer to certain breaches, failure to submit returns and refusal to produce documents and breaking rules about minimum deposits. Here the entire substantive law has been set out. This is where it should find a proper place. If we remove sub-clause (5) of clause 46 and place it here, the penalty would be adequately covered under sub-clause (4) which says: "If any other provision of this Act is contravened." If this is removed from clause 46 without any mention of it, that would be sufficiently covered by the provisions of sub-clause (4), which gives a penalty for any other non-compliance with the provisions of the Act, not ordinarily covered by sub-clauses (1), (2) and (3). That is the reason which induced me to transfer it.

Mr. Deputy Speaker: The honourable Minister does not accept it. Is it the wish of the honourable member to move it and have it put to the House?

Mr. Nazirudin Ahmad: Yes Sir, I move:

"That after sub-clause (1) of clause 38 of the Bill, the following new sub-clause be inserted :

'(1A) Without prejudice to the provisions of sub-section (4) of section 46, if any Banking company fails to comply with the provisions of section 24 or of section 25, the Reserve Bank shall by notice in writing direct the banking company to comply with the said provisions within thirty days from the receipt of the notice, and if the banking company fails so to do, the Reserve Bank may apply under section 38 for the winding up of the banking company, and the Court shall order the winding up of the banking company'."

Mr. Deputy Speaker The question is:

"That after sub-clause (1) of clause 38 of the Bill, the following new sub-clause be inserted :

'(A) Without prejudice to the provisions of sub-section (4) of section 46, if any Banking company fails to comply with the provisions of section 24 or of section 25, the Reserve Bank shall by notice in writing direct the banking company to comply with the said provisions within thirty days from the receipt of the notice, and if the banking company fails so to do, the Reserve Bank may apply under section 38 for the winding up of the banking company, and the Court shall order the winding up of the banking company'."

The motion was negatived.

Mr. Deputy Speaker: The question is:

"That clause 38 stand part of the Bill."

The motion was adopted.

Clause 38 was added to the Bill.

Mr. Nazirudin Ahmad: I move:

"That in clause 39 of the Bill, the following be added at the end :

'and in any other case, the Reserve Bank or a nominee of the Reserve Bank shall be appointed the official liquidator'."

With regard to the appointment of a liquidator it has happened—and I speak from instructions from a very competent man—that official liquidators are appointed from persons who have no experience. Sometimes a junior lawyer without any experience is appointed and he prolongs the matter not having sufficient experience. Assets are frittered away and ultimately the shareholders and depositors get nothing. By this amendment it is provided that the Reserve Bank itself should be appointed the liquidator. But it may be that we put too many responsibilities on the Reserve Bank, so a nominee of the Reserve Bank shall be appointed liquidator. A nominee of the Reserve Bank would be a competent man, for example a Chartered Accountant or any other person reliable and competent. In fact to manage a bank as a liquidator requires all the technical knowledge of an expert, as is required by this amendment. I submit, that the appointment of a suitable liquidator in the interests of the depositors and shareholders and the public at large is very necessary, because in the case of a liquidation, the matter should be in the hands of a competent person. So, first of all, my first preference would be the Reserve Bank itself, and if the Reserve Bank is unable to help on account of other preoccupations, then a nominee of the Reserve Bank would be desirable. It should not be left to the choice of the Court to appoint non-experts and I am reliably informed that this has often happened and the proceedings have been prolonged, ultimately to leave nothing to the depositors and the shareholders. In these circumstances, I submit that this amendment should be accepted as it is.

Mr. Deputy Speaker: Amendment moved:

"That in clause 39 of the Bill, the following be added at the end :

'and in any other case, the Reserve Bank or a nominee of the Reserve Bank shall be appointed the official liquidator'."

Pandit Lakshmi Kanta Maitra (West Bengal: General): What is the meaning of "and in any other case"?

Mr. Naziruddin Ahmad: When any third person applies for liquidation of the bank, then either the Reserve Bank or some person approved by the Reserve Bank would be appointed the official liquidator.

Mr. Deputy Speaker: If the Reserve Bank does not choose to apply, it is open to the Court to appoint any other person. But the honourable member wants that the Reserve Bank must be appointed or even a nominee of the Reserve Bank.

The Honourable Dr. John Matthai: This is a matter which I discussed at considerable length with the Reserve Bank and in the present position the Bank feels that it is not possible for it either to provide official liquidators from among their employees or to accept responsibility for appointing nominees to do this work.

It would be putting on the Reserve Bank a big responsibility in respect of every single banking company in the country, which I do not think in the present circumstances it is fair to place upon them.

Mr. Naziruddin Ahmad: I have never said nor desired that any officer of the Reserve Bank should do it. A nominee might be a person from the rank of chartered accountants.

Pandit Lakshmi Kanta Maitra: I have listened to the arguments advanced by my honourable friend Mr. Naziruddin Ahmad, who has the singular misfortune of getting every one of his amendments defeated. It is not for that that I have risen to support him but he has raised a substantial point. The point really is that if a banking company goes into liquidation and if it seeks the protection of the court in this matter, what is the option left to the court. According to the provisions of section 39 the Reserve Bank has the right to be appointed the liquidator of the banking company which is going in for liquidation. But cases might arise when the Reserve Bank may not be coming forward. In that case the court has the option of appointing anybody and I share the apprehension of my honourable friend Mr. Naziruddin Ahmad that in such cases a man may be appointed a liquidator who has absolutely no banking experience and knows nothing of banking.....

Mr. Naziruddin Ahmad: That has happened.

Pandit Lakshmi Kanta Maitra: An instance like that happened in my province of Bengal about two decades ago, when a very big bank unfortunately collapsed. Do you know what happened? An official liquidator was appointed by the Honourable High Court of Calcutta. I was one of those unfortunates whose father had a large amount in that bank. After two or three years of protracted proceedings by that liquidator practically all the assets of the bank had been exhausted and I was offered two pies (one sixth of an anna) in the rupee and in sheer disgust many people would not touch that money. What happened was this. The liquidator so appointed had fixed such a high scale of his remuneration, which was approved by the High Court, that during the long period of three years nothing was left for the depositors to get except the paltry sum of two pies in the rupee.

Mr. Homi Mody: It is scandalous.

Pandit Lakshmi Kanta Maitra: This is scandalous. My honourable friend the Minister says that the Reserve Bank's hands are so full that they cannot spare any of its officers. This can be no argument. When we are going to overhaul the entire banking structure of the country by this legislation, when we are trying to put in all manner of safeguards for the depositors and in the ultimate analysis, for the safety and security of the financial structure of the country, I think this amendment—you may improve on it if you want—has got a substantial point in its favour, which cannot be denied. It is quite possible that the Reserve Bank will say that they have not got any officers to spare. Personally speaking I feel that the distress of most of the banks today is due to the dereliction of duty on the part of the Reserve Bank. That is a responsibility which cannot be shirked by the Reserve Bank. Recently we have passed through several banking crises in Bengal and only at the last moment the Reserve Bank came to their rescue in a halting manner. That was at a very late stage. That is another matter. If I get a chance in the third reading I will make that point. For the time being I would earnestly request the honourable Minister carefully to consider the implications of this amendment. It is quite possible that the Finance Minister might put in a nominee who need not necessarily be an officer of the Reserve Bank or the Reserve Bank can make a suitable nomination, knowing the full antecedents of the man whom they are going to nominate. Though I am not generally in favour of the amendments of my honourable friend Mr. Naziruddin Ahmad, at least he should listen while I am supporting him. This is really an important matter and I hope the House will give it some consideration.

The Honourable Dr. John Matthai: Sir, in view of the speech of my honourable friend Pandit Lakshmi Kanta Maitra I should like to have the privilege of...

Pandit Lakshmi Kanta Maitra: The honourable Minister can think it over and we shall take it up when we re-assemble after Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

The Honourable Dr. John Matthai: Sir, just before the House adjourned for Lunch my honourable friend Pandit Lakshmi Kanta Maitra referred to the importance of having somebody who is authorized by the Reserve Bank to act as liquidator. The amendment before the House is that the Reserve Bank or a nominee of the Reserve Bank shall be appointed as the official liquidator. The really important point is that the liquidator must be somebody upon whom the Reserve Bank has a sufficient degree of control who would act with the authority of the Reserve Bank behind him. That is really the point. In the first place I should like to assure the House that in view of the extensive powers which are going to be conferred upon the Reserve Bank if this Bill is passed into law it is our intention that as soon as possible the staff of the Reserve Bank should be sufficiently increased to enable it to meet these very important responsibilities which are being placed upon them, so that the difficulty that was experienced in the particular case to which Pandit Lakshmi Kanta Maitra referred is not likely to arise again, at any rate, to the same extent.

Apart from that, suppose a case arises where it is found that there is nobody on the staff of the Reserve Bank who can be spared for this purpose, assuming that the case is an important one where serious losses are likely to occur to a large section of the community, then I suggest that the most satisfactory course from every point of view would be not for the Reserve Bank to nominate somebody but for the Reserve Bank temporarily to appoint, for that

[Dr. John Matthai]

purpose, an accountant of standing to do the particular piece of work. The advantage of that course is that the Reserve Bank is then not merely the authority nominating the person but is also the authority which is in a position to.....

Pandit Lakshmi Kanta Maitra: That is, irrespective of the order of the court? If the court appoints a liquidator would the Reserve Bank appoint a chartered accountant in addition to him?

The Honourable Dr. John Matthai: The provision as it stands is that the Reserve Bank makes an application. Suppose the case is an important case where serious losses are likely to occur, then the Reserve Bank would make an application. Even if the Reserve Bank at that time is short of staff and for that reason thinks that it cannot spare an officer it might be expected to appoint temporarily an accountant, of standing to do the work. In that case there is a definite responsibility resting upon the Reserve Bank. If you are giving responsibility to the Reserve Bank, you must place them in a position where the responsibility cannot be properly enforced. While I quite appreciate the intention that my honourable friend Mr. Naziruddin Ahmad has, I think his intention would be better implemented by a line of action of the kind I have suggested.

Mr. Naziruddin Ahmad: I could not quite follow the line of action. May I explain the position? This is a very important matter. The position is if the Reserve Bank applies, of course the Reserve Bank would be appointed the liquidator. But suppose the applicant is not the Reserve Bank but it is somebody else, some creditor or other person. Then the court will not be bound to appoint the Reserve Bank or any nominee of it or any person selected by it as the liquidator.

Mr. Speaker: There is a practical difficulty in what the honourable member is suggesting. Suppose a frivolous application is made by a creditor and the question arises of appointing a provisional liquidator then and there. Should the Reserve Bank be appointed?

Mr. Naziruddin Ahmad: No.

Mr. Speaker: That is the point.

The Honourable Dr. John Matthai: That is exactly the point, Sir.

Shri M. Tirumala Rao (Madras: General): Does the honourable Minister suggest that a frivolous application would be made?

Mr. Speaker: Not by the Reserve Bank itself but any other person may do so. I think persons who practise in courts know the kind of applications made.

Shri M. Tirumala Rao: When the court holds that there is sufficient reason to appoint a liquidator.....

Mr. Speaker: If the honourable member knows about liquidation proceedings, there are two stages. First a provisional liquidator is appointed and then finally the *pucca* liquidator is appointed. So the question will be who the provisional liquidator should be. Some person will have to be appointed. But if an amendment of this type is introduced, no provisional liquidator other than the Reserve Bank can be appointed. And in the case of each and every application, whether made properly or improperly, the Reserve Bank will have to take up the burden of acting as liquidator. That, I think, is the point of the honourable Minister.

Mr. Naziruddin Ahmad: I have suggested also a nominee.

Mr. Speaker: The matter should be left better to the court and its discretion—unless the Reserve Bank in each case undertakes the responsibility of seeing that the liquidation is properly put through. That seems to be the point. However, if the honourable member wishes to say anything I should not like to stop him.

Mr. Naziruddin Ahmad: The point is if the Reserve Bank applies, the law says that the Reserve Bank shall be appointed the liquidator. But suppose somebody else applies. Then the Court, as I said before, will appoint the liquidator and it will be free to appoint a lawyer without experience. Sometimes that is done. I was assured by a lawyer having long experience of these cases that what is done in an *ex parte* application is that a lawyer without much experience is appointed. He does not mismanage it intentionally, but not having sufficient experience in running a bank, he allows the bank to run for some time and in the meantime the resources of the bank are frittered away, leaving no dividends for shareholders or depositors. I do not want to place any burden on the Reserve Bank. It comes to take a serious responsibility with regard to banking. Would the Reserve Bank find it difficult to nominate a person or have a list of persons who would be approved by them for this purpose?

Mr. Speaker: Let the matter be considered in its practical application, and perhaps a way may be found. The court may appoint somebody on the recommendation of the Reserve Bank.

Pandit Lakshmi Kanta Maitra: I want one point made clear. I think the honourable Minister also means this. Suppose, as my honourable friend Mr. Naziruddin Ahmad assumes—as I say he assumes—the court, on any application, appoints somebody else who is not a very desirable person to take over charge of liquidation proceedings then, if I have understood the Honourable the Finance Minister aright, it will be open to the Reserve Bank to appoint a Chartered Accountant there in addition to the liquidator who may be appointed in that way. Is there any bar to it? Or is it contemplated that if a liquidator is appointed who may not be a very desirable or competent person, all the same it does not oust the right of the Reserve Bank to appoint a chartered accountant to supervise and see things? Is that the point?

The Honourable Dr. John Matthai: If I may say so I would respectfully endorse what the Honourable the Speaker said that this is a matter which has got to be settled in relation to the actual circumstances of each case.

Mr. Naziruddin Ahmad: The Court may not agree with the Reserve Bank.

Mr. Homi Mody: After we rose for Lunch, I made a suggestion informally to my honourable friend the Finance Minister that in such cases an officer of the Court be appointed instead of any ordinary person, and he pointed out to me that any lawyer could be regarded as an officer of the Court. What I meant was an official of the High Court, and the question is whether if the words used were "officer of the Court" it would mean an official or not, because if it was an official then there would be a sufficient safeguard to the public.

Mr. Speaker: It is difficult for me to give interpretation.

Shri M. Ananthasayanam Ayyangar (Madras: General): There is nothing to prevent in the clause as it stands, for any person or any set of persons, shareholders or others, who are interested in the bank moving immediately the Reserve Bank to make an application. Why are we forgetting that?

The Honourable Dr. John Matthai: Or to me.

Shri M. Ananthasayanam Ayyangar: Or to the Honourable the Finance Minister or his Department, instead of going straightaway to the Court and tying the hands of the Court and asking it to appoint only the Reserve Bank

[Shri Ananthasayanam Ayyangar]

or its nominee irrespective of the time at the disposal of the Reserve Bank. It is always open to a party to ask the Reserve Bank and the Reserve Bank will certainly be interested in this matter.

Regarding the officials, my own point is this. Though an official may hold a responsible position, he may not have as much experience as a lawyer may have. We will give both a lawyer and an official, then under this clause as it stands there is nothing to prevent the appointment of a businessman who has a reputation to run the bank efficiently. My own impression is that very often persons who have knowledge of banking experience and who are of high integrity, will be chosen to take charge of this administration, for however short a period it might be. Therefore, I think the clause may be allowed to stand as it is without fettering the discretion of the Court. If the Court itself which is the ultimate authority in all matters is going to committ a mistake. I do not know who will be the ultimate authority.

Mr. Nasiruddin Ahmad: Difficulties have arisen in Bengal.

Mr. Speaker: I do not think any further discussion on the point is necessary, but I carried the impression that the discussion started because honourable members do not seem to be very conversant with actual liquidation proceedings in the Courts. I ventured to pass a few remarks because I happened to have a good deal of practice in liquidation matters. I might point out one thing more, that liquidation proceedings are not on behalf of the particular creditor who applies, but they are on behalf of all the creditors of the company. So, in case any adverse order is made, which is not liked by any other creditors or any other interested persons, then those people will be entitled to move the Court and the matter can be taken even in an appeal. That is how the position will stand. And perhaps it will be competent for some of the creditors also to say that the Reserve Bank should be appointed the liquidator in that case. So, the discretion is quite wide.

I shall put the amendment to vote. The question is:

"That in clause 39 of the Bill, the following be aded at the end:

'and in any other case, the Reserve Bank or a nominee of the Reserve Bank shall be appointed the official liquidator.'"

The motion was negatived.

Mr. Speaker: The question is:

"That clause 39 stand part of the Bill".

The motion was adopted.

Clause 39 was added to the Bill.

Clauses 40 to 44 were added to the Bill.

Mr. Nasiruddin Ahmad: I beg to move:

"That in part (a) of clause 45 of the Bill, for the word 'members', the word 'shareholders' be substituted."

The Bill says: "members of the bank." In co-operative societies shareholders are sometimes described as "members". Here the expression that is ordinarily used is "shareholders." In the case of an ordinary bank the shareholders are never called members. "Member" is a vague expression so far as this matter is concerned. There is fortunately Mr. Homi Mody present here and he would be able to give us some idea as to whether shareholders are called "members". If they are, I have no objection.

Mr. Speaker: In the Companies Act they are called "members".

Mr. Nasiruddin Ahmad: Then I do not press the amendment.

Mr. Speaker: The question is:

"That clause 45 stand part of the Bill."

The motion was adopted.

Clause 45 was added to the Bill.

Mr. Nazirudding Ahmad: I move:

"That after clause 45 of the Bill, the following new clause be inserted :

'45A. The Court shall dispose of all proceedings under this Act with the least practicable delay'."

There is a reason for this amendment. As I submitted to the House before, in this matter I was instructed by an experienced lawyer from the Calcutta High Court who enjoined upon me the necessity of these amendments. He assured me that a bank may indulge in fraudulent transactions having on the list some fictitious persons as creditors and with an imposing array of books they come to Court and then the case drags on interminably. In fact, even in the High Court the cases are dragged on. In the meantime the resources of the bank are frittered away and ultimately the shareholders and the depositors lose everything.

In the circumstances, a clause of this type would always remind the Court that it is very desirable to dispose of the case rather speedily. If this clause is there, Courts will be disinclined to give many adjournments, but otherwise it is possible to drag on and I have been assured by an experienced man that this has actually happened to the detriment of many banks. Unfortunately, there have been many bank failures in my part of the country and therefore I can claim some consideration in this respect.

Shri B. L. Sondhi: How would you paraphrase these words "least practicable delay"?

Mr. Speaker: That would be going into the merits of his amendment. I do not think, on its merits, it requires much consideration.

Amendment moved.

"That after clause 45 of the Bill, the following new clause be inserted :

'45A. The Court shall dispose of all proceedings under this Act with the least practicable delay'."

The Honourable Dr. John Matthai: As a member of Government, I presume that our courts always act with the least practicable delay.

Shri M. Ananthasayanam Ayyangar: There have been many Committees like the Law Reform Committee and others, but however much you may try, it must be left to each judge to dispose of the case as early as possible. How can you measure delay, to say that it shall be the least practicable delay? It is rather difficult. Therefore it is good to leave it to the judges instead of saying "with the least practicable delay."

Mr. Speaker: The concensus seems to be that this would be merely a pious wish.

The question is:

"That after clause 45 of the Bill, the following new clause be inserted :

'45A. The Court shall dispose of all proceedings under this Act with the least practicable delay."

The moion was negatived.

Kazi Syed Karimuddin (C.P. and Berar: Muslim): I move:

"That in sub-clause (1) of clause 46 of the Bill, the word 'wilfully', wherever it occurs, be omitted."

My submission is that this word "wilfully" suggests a plea to the accused when he makes a false statement knowing it to be false, that he would be acquitted merely because he says that it was under the orders of

[Kazi Syed Karimuddin.]

the Directors or the shareholders that he made such statement. If it is established that he makes a statement which is false, knowing it to be false, that is quite enough to convict him. But in the present circumstances, if he makes a false statement, knowing it to be false, he can put in a plea in the court of law that he did not do so wilfully but it was under a Resolution of the Board of Directors and he would be entitled to be acquitted. Therefore, my submission is that the word "wilfully" ought not to be there.

Mr. Speaker: There are various amendments, practically raising the same substantive issue. There is one in the name of Shri Krishna Chandra Sharma and some others in Mr. Karimuddin's name and Mr. Naziruddin Ahmad's name. These may just be moved and the honourable members may have their say later on.

Shri Krishna Chandra Sharma: I move:

"That in sub-clause (1) of clause 46 of the Bill, for the word 'wilfully', wherever it occurs, the word 'intentionally' be substituted."

Kazi Syed Karimuddin: I move:

(i) "That in sub-clause (1) of clause 46 of the Bill, after the words 'which is false' the words 'to his knowledge' be inserted."

(ii) "That in sub-clause (1) of clause 46 of the Bill, the words 'knowing it to be false', be omitted."

Mr. Naziruddin Ahmad: I move:

"That in sub-clause (1) of clause 46 of the Bill, for the words 'knowing it to be false', the words 'knowing or having reason to believe it to be false' be substituted."

Mr. Speaker: I shall now place all the amendments before the House and then I shall call upon the movers to have their say in support of them.

Amendments moved:

(i) "That in sub-clause (1) of clause 46 of the Bill, the word 'wilfully', wherever it occurs, be omitted."

(ii) "That in sub-clause (1) of clause 46 of the Bill, for the word 'wilfully', wherever it occurs, the word 'intentionally' be substituted."

(iii) "That in sub-clause (1) of clause 46 of the Bill, after the words 'which is false', the words 'to his knowledge' be inserted."

(iv) "That in sub-clause (1) of clause 46 of the Bill, the words 'knowing it to be false', be omitted."

(v) "That in sub-clause (1) of clause 46 of the Bill, for the words 'knowing it to be false', the words 'knowing or having reason to believe it to be false' be substituted".

Shri Krishna Chandra Sharma: I take the word "intentionally" from the Indian Penal Code Section 193. I think when a man makes an intentionally false statement or intentionally gives false evidence, he should be liable. This is a better expression than "wilfully" and expresses the intention of the Legislators better.

Kazi Syed Karimuddin: I have already spoken and I have given reasons why the word "wilfully" should be omitted. The honourable member on the other side has said that the word "intentionally" should be substituted in the place of "wilfully". It will have practically the same effect. If a man makes a false statement knowing it to be false, then is it necessary that the word "intentionally" or "wilfully" should be there? In the case of a bank, suppose a manager or officer of the bank makes a false statement which to his knowledge is false, he may say that he did not do it wilfully but it was under the orders or resolution of the bank, then on that statement he will not be convicted; he will be entitled to be acquitted. There is no prosecution of the members or shareholders of the bank because it is not a duty with which they are charged. Therefore, my submission is that neither "wilfully" nor "intentionally" should be kept there, but the word "wilfully" should be omitted.

Mr. Nasiruddin Ahmad: With regard to my amendment, I have introduced the new words because I want to tighten the law. If a man makes a false statement knowingly, with his knowledge, he will be guilty; he should be guilty also when he has reason to believe it to be false. It may often happen that a man may have a very good reason to believe a certain thing to be false, but yet it will be difficult in a Court of law to prove that he actually knew it. It would be enough for the Prosecution to show that he had reason to believe In that case, ordinarily it would be possible for Courts to hold that he had reason to believe that it was false, so he is liable. The law should be further tightened and with that end in view I have brought in this amendment.

Regarding the deletion of the word "wilfully" I submit that if a man does make a false statement on account of the resolution or order of his superior body, he nonetheless does it wilfully. Supposing there is a resolution asking a Manager of a bank to commit a murder or fraud or forgery; he cannot be excused. The mere fact that there is a resolution should be no excuse. If he is a law-abiding citizen, he should say, "I refuse to make false statement, although I am directed to do so." In fact if he agrees to obey the order or a resolution directing him to make a false statement he becomes at once party to a criminal conspiracy to break the law. I do not think the word should be removed. Wilfulness or intention is a necessary element and I want to add to it the words 'knowing or having reason to believe it to be false'. This is only an additional safeguard.

3 P.M.

Shri M. Ananthasayanam Ayyangar: So far as the need for the word 'wilfully' is concerned, I can only refer to the Penal Code. In Chapter XI of the Code, this is what is said: "whatever is uttered by a person which is false and which he knows to be false". First, the statement must be false and secondly the person making it must know it to be false or has reason to believe it to be false or at any rate does not believe it to be true. In one of these cases he is said to be giving false evidence. Under section 193 of the Indian Penal Code the wording is 'whoever intentionally gives false evidence'. The three ingredients for this offence are, (1) it must be false statement, (2) he must know it to be false, and (3) even then, he must intend to give that false evidence. It may be asked, what are the cases? A man knows it to be a false statement and he would not give it if he does not do so intentionally. Inadvertently he might do so. I might have known something and have forgotten it for the time being. Therefore, the gist of any criminal offence is intention. Let us not add to the list of offences without corresponding limitations as provided in the Penal Code. Therefore, either 'wilfully' or 'intentionally', ought to be there. But, as between these words, I would prefer 'intentionally', because the same expression is used in Chapter XI relating to false evidence and offences against public justice. I would ask the honourable Minister to accept that if he has no objection and if he is not advised otherwise. So far as 'knowing' is concerned, there is no meaning in adding to it. If you refer to the later portion, the word 'knowing' is already there.

Mr. Speaker: I think in the Indian Companies Act, the expression used is 'wilfully'.

The Honourable Dr. John Matthai: That is what I was told by my legal advisers also.

Mr. Speaker: It is better to adopt that phraseology in this company legislation also.

Shri M. Ananthasayanam Ayyangar: Then we will have to find out the difference between the words 'wilful' and 'intentional'. I am not an expert in the English language to explain why one word has been chosen in Company law. In other particulars we are following the Company law in this measure. I see no objection to retaining the word 'wilfully'.

[Shri M. Ananthasayanam Ayyangar.]

As regards the other amendment to omit the words 'knowing it to be false', I do not think it is necessary. My impression is that these words 'to his knowledge false' are unnecessary, for the reason the words 'knowing it to be false' are there. Those words have been copied from the Indian Penal Code and may remain. Thus, the wording in the Bill seems to be all right. There is no need to amend it.

Shri H. V. Kamath (C.P. and Berar: General): To my mind there is some substance in the amendment to omit the word 'wilfully' and in the two amendments of Kazi Syed Karimuddin. I believe it is my friend's intention that they should be taken together. If all these three amendments are accepted by the House, the clause will read as follows:

"Whoever in any return, balance-sheet or other document required by or under or for the purposes of any provision of this Act, makes a statement which is false to his knowledge."

If the clause is allowed to stand as it is, the ingredients for an offence under it will be wilfulness *plus* knowledge. My friend Shri Ananthasayanam Ayyangar made an astounding statement that there can be knowledge and also inadvertence.

An Honourable Member: Did he say that?

Shri H. V. Kamath: He said, he might know it to be false, yet inadvertently make it. Sir, I am sure the House will not accept the proposition of Shri Ananthasayanam Ayyangar that when a man knows a thing to be false he might inadvertently make a statement about it as true.

Mr. Speaker: I think there is some misapprehension as regards what he meant. The House has understood him in a manner different from what he meant.

The elements necessary for constituting an offence are that the statement must be false. That is one. Then, secondly, the person who makes it must be knowing it to be false. He may know it to be false and then he must make it wilfully. So, substantially he must know that the statement is false and he must make it wilfully.

Shri H. V. Kamath: At first he made a statement about knowledge in which he said that a man might know a statement to be false and might make it inadvertently.

Shri M. Ananthasayanam Ayyangar: I may add my own explanation also to what I said. My friend has not understood me correctly. I mentioned, as you suggested, three ingredients: (1) the statement should be false; (2) the person making it must know it to be false; and (3) he must wilfully make that false statement. My friend does not understand that there is demarcation between wilfully make a statement knowing it to be false and otherwise. Legally and technically one must have made a false statement wilfully, to be subject to the penalty. There is yet another ingredient and that is that the statement must be wilful and intentional.

Mr. Speaker: The courts will take care of this. I would request non-lawyers not to worry so much about legal technicalities.

Shri H. V. Kamath: I do not presume to have much knowledge of law, but I have heard lawyers arguing and quarrelling among themselves. To my mind, the head and front of the offence under this clause should be knowledge of the statement to be false. Otherwise, I think if we include 'wilfulness' along with 'knowledge', it may not deter prospective offenders from committing such an offence under the Act. Therefore, if we omit the word 'wilfully' and retain the words 'makes a statement which is false to his knowledge' that should be enough

to constitute an offence under this act. Wilfulness in addition to knowledge is to my mind not necessary. If a person makes a statement which is false to his knowledge that should be enough to constitute an offence and to be convicted under this Section.

The Honourable Dr. John Matthai: *rose* —

An Honourable Member: Sir, he is not a lawyer.

The Honourable Dr. John Matthai: No, Sir, I practised criminal law thirty years before, but I am afraid I have now lost my instinct for legal subtleties, but I would respectfully submit to the House that the phrasing of this clause closely follows the phrasing in the corresponding sections of the Companies Act and further than that, I discussed all these amendments as carefully as I could with my legal advisers and I have been advised that the clause as it stands is probably the most suitable way in which the provision could be worded and if I may say so, I am quite prepared to be guided in this matter by any views that you may care to express.

Mr. Nazirudin Ahmad: Of course, I do not wish to press my amendment.

Mr. Speaker: In any case, I have placed it before the House now.

I may just only point out what is provided for in section 282 of the Indian Companies Act. The language of that section runs as follows:

"*Penalty for false statement.*—Whoever in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Act (here means the Companies Act) wilfully makes a statement false in any material particular, knowing it to be false, shall be punishable....."

Practically the same words are given.

A point was made that this legislation is taken as a sort of complementary to company legislation and it is better to follow the same phraseology; otherwise, there is a likelihood of conflict in the interpretation. Any way, I am now putting the amendments to the House.

The question is:

"That in sub-clause (1) of clause 46 of the Bill, for the word 'wilfully', wherever it occurs, be omitted."

The motion was negatived.

Mr. Speaker: The question is:

"That in subclause (1) of clause 46 of the Bill, for the word 'wilfully', wherever it occurs, the word 'intentionally' be substituted."

The motion was negatived.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 46 of the Bill, after the words 'which is false', the words 'to his knowledge' be inserted."

The motion was negatived.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 46 of the Bill, for the word 'wilfully', wherever it occurs, omitted."

The motion was negatived.

Mr. Speaker: Mr. Nazirudin Ahmad is not pressing his amendment but I must place it all the same before the House.

Mr. Nazirudin Ahmad: I am very eager to withdraw it.

Mr. Speaker: Has the honourable member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Nazirudin Ahmad: I move:

"That in sub-clause (1) of clause 46 of the Bill, for the word 'imprisonment', the word 'imprisonment of either description' be substituted."

[Mr. Naziruddin Ahmad]

I only want to make this clear. In the Penal Code, there is always a distinction between imprisonment of different descriptions unless something is specifically stated.

The Honourable Dr. John Matthai: Under the General Clauses Act, imprisonment means imprisonment of either description.

Mr. Naziruddin Ahmad: The General Clauses Act has been practically repealed in this House; it has been superseded so many times.

Mr. Speaker: The honourable member is urging its acceptance so many times and so he should not reject it this time. The amendments are practically unnecessary.

Mr. Naziruddin Ahmad: I beg to move:

"That in sub-clause (2) of clause 46 of the Bill, for the word 'fails', occurring in line one, the words 'fails or omits' be substituted."

The expression is that "if any person fails to produce any book, account" and so forth. I want to make it that "If any person fails or omits to produce any book, account" and so forth. I want to tighten the law a bit further. I think the clause will be more elastic if the words "or omits" are used along with the word "fails", evasion would be a little more difficult.

Mr. Speaker: Does not the word 'fail' cover also the "omission"?

Mr. Naziruddin Ahmad: A man may say: "I missed the train and failed thereby, but there was no wilful 'omission' on my part."

Mr. Homi Mody: You cannot say you omitted the 'train'.

Mr. Speaker: Omission may be one of the causes of failure, but failure is a more general term. The honourable member may look into it.

Mr. Naziruddin Ahmad: The juxtaposition of the two words will make it more complete. Though they overlap to a large extent, they may be combined as a legal device to make the sense complete. That is the only justification.

Mr. Speaker: The honourable Minister is not accepting it. May I put it to the House?

Mr. Naziruddin Ahmad: No Sir.

Shri Krishna Chandra Sharma: I move:

"That in sub-clause (2) of clause 46 of the Bill, for the words 'a fine which may extend to five hundred rupees', the words 'simple imprisonment for a term which may extend to one month or with fine which may extend to one thousand rupees, or with both' be substituted."

There are similar provisions in the Indian Penal Code where a certain duty is imposed on a person under the law to help the public servant in the discharge of his duties and if the person intentionally omits to do this, this is the punishment provided in the Indian Penal Code under Section 187. A lesser punishment should not be provided for the person who is much more educated and responsible. My respectful submission is that simple imprisonment for one month and fine up to Rs. 1,000 may be substituted for the provisions in the article.

Mr. Speaker Amendment moved:

"That in sub-clause (2) of clause 46 of the Bill, for the words 'a fine which may extend to five hundred rupees', the words 'simple imprisonment for a term which may extend to one month or with fine which may extend to one thousand rupees, or with both' be substituted."

The Honourable Dr. John Matthai: I think it is not necessary in this case to provide for imprisonment. In cases of this kind, the point that we have got to remember is that when an offence of this kind has been committed and the

party concerned has been convicted and he has been fined, the publicity that attaches to it will reflect on the business and will carry a good enough punishment with it.

Mr. Speaker: The question is:

"That in sub-clause (2) of clause 46 of the Bill, for the words 'a fine which may extend to five hundred rupees', the words 'simple imprisonment for a term which may extend to one month or with fine which may extend to one thousand rupees, or with both' be substituted."

The motion was negatived.

Mr. Speaker: Amendment No. 248 falls through, practically, because there is no 'omission' now.

Mr. Nazirudin Ahmad: Sir, the word 'persists' indicates a dogged determination, a wrong-headedness. The words "continues in his failure or omission.....

Mr. Speaker: 'Or omission'; both these words must disappear now.

Mr. Nazirudin Ahmad: It is a question of drafting. My point is, the word 'persists' indicates a dogged determination like that of a naughty school boy That wording will be taken advantage of by criminals. That is why I want to move this amendment. I move:

"That in sub-clause (2) of clause 46 of the Bill, for the words 'persists in such refusal', the words 'continues in his failure as aforesaid' be substituted."

The wording in the clause is "persists in such refusal" and so forth. As I have already submitted, 'persists' is just like the act of a member who is determined to speak although definitely ruled out several times. A man who is hauled up for breach will say, 'I failed, but I did not persist in it'. Every word of this Bill will be deemed to have a meaning and every word must be deemed to have been used by the Legislature for a definite policy and purpose. In these circumstances, the word 'persists' would be too strong an expression and would allow a loop hole for many criminals. That is why I want to make it easy for the prosecution to rope in a criminal.

Shrimati G. Durgabai (Madras: General): Sir, I do not think this amendment has any purpose besides making some improvement in the language. That may safely be left to the draftsman.

Mr. Speaker: Let me put the amendment to the House.

Amendment moved:

"That in sub-clause (2) of clause 46 of the Bill, for the words 'persists in such refusal', the words 'continues in his failure as aforesaid' be substituted."

Mr. Tajamul Husain (Bihar: Muslim): I rise to oppose this amendment. Being a lawyer myself, I must say something on this. The word 'persists' really conveys obstinacy, that a man is obstinate in refusing to do a thing. This word is more proper and stronger than the words suggested by my honourable friend, Mr. Naziruddin Ahmad. He says, "continues in his failure." What is 'continuing'? It means 'going on'. Therefore, the amendment, in my opinion, is not as strong as the wording in the Bill. I support the original draft and oppose the amendment of my honourable friend.

Mr. Nazirudin Ahmad: With regard to the suggestion that this may be left to the draftsman, I think our Rules preclude it.

Mr. Speaker: He has no right of reply.

The Honourable Dr. John Matthai: I do not accept the amendment for the obvious reason that continuing in a wrong line of action is persistence.

Mr. Speaker: I was just wondering, in view of the previous phraseology—it may be examined and it may come up at the third reading stage also if the honourable member so likes—is the word "refusal" proper? Should it not be "failure". The wording in this sub-clause is, "if any person fails to produce any book of account, or fails to furnish any statement or information or fails to answer any question, etc." The word "refusal" does not so much fit in as the word "failure". The honourable Minister may look into the matter.

The Honourable Dr. John Matthai: I agree with you, Sir,

Mr. Speaker: I should like to have the opinion of the draftsman on this question, even though it may mean just a little change in the wording.

The Honourable Dr. John Matthai: May I have the precise suggestion that you are making?

Mr. Speaker: The word "failure" may be substituted for word "refusal". It is only a question of language.

Mr. Homi Mody: Is there anything like persisting in failure?

Mr. Speaker: It is more or less a question of language. That also may be considered. Shall I leave it to the third reading stage? After all, the amendment will be a verbal one.

The Honourable Dr. John Matthai: If that is the way you : act to the thing, I am prepared straightaway to accept your suggestion.

Mr. Speaker: An amendment to that effect may be moved later on. I shall put the amendment to the House then.

Mr. Nasiruddin Ahmad: If it is subject to reconsideration, it need not be put at all.

Mr. Speaker: This is not the subject of reconsideration. Either he withdraws or I shall put it to the House.

Mr. Nasiruddin Ahmad: He has promised to re-examine the matter.

Mr. Speaker: He is not promising to examine the matter in its entirety. The word 'persists' is there. The amendment under consideration is that the word "refusal" disappears in favour of "failure". That is the only point.

Mr. Nasiruddin Ahmad: I beg leave to withdraw Sir.

Mr. Speaker: Has the honourable member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Kazi Syed Karimuddin: I move:

"That in sub-clause (3) of clause 46 of the Bill, the word 'other', occurring in line two, be omitted."

The sub-clause reads like this:

"If any deposits are received by a banking company in contravention of an order under clause (a) of sub-section (4) of section 35, every director or other officer....."

The word "other" is wrongly used and the amendment should be accepted.

Mr. Speaker: Amendment moved:

"That in sub-clause (3) of clause 46 of the Bill, the word 'other', occurring in line two, be omitted."

The honourable Minister may consider about "failure" or "refusal" and it may come at the third reading or at the end of this clause.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen)*].

The Honourable Dr. John Matthai: This wording comes from the Companies Act.

Kazi Syed Karimuddin: May come from the Companies Act, but it may be wrong.

Mr. Homi Mody: "Other officer" has to be somebody like a Director. He cannot be one of the hundreds of officers of the lower category who can be made responsible under this section. The word 'other' should be there.

The Honourable Dr. John Matthai: The word 'other' should be there.

Mr. Chairman: The question is:

"That in sub-clause (3) of clause 46 of the Bill, the word 'other', occurring in line two, be omitted."

The motion was negatived.

Mr. Nasiruddin Ahmad: I move:

"That in sub-clause (3) of clause 46 of the Bill, for the words 'other officer', the words, 'every other officer' be substituted."

The difficulty which was felt by Kazi Syed Karimuddin was also felt by me. The approach has been through different ways but the object is the same. In fact the text is "every director or other officer...". It gives the impression that a director is an officer, and other officers are also included. If we say 'every director and other officer', it would mean "every director who is an officer and other officers". But then the amendment would make it read like this: 'every director and every other officer'; the anomaly of using the word director as suggesting that he is an officer would be eliminated. It should read: 'Every director and every other officer'. Or the word "other" may be eliminated. "Every director and every officer" would perhaps be better, if it is acceptable to the honourable Minister.

Mr. Chairman: Amendment moved.

"That in sub-clause (3) of clause 46 of the Bill, for the words 'other officer', the words, 'every other officer' be substituted."

The Honourable Dr. John Matthai: I need not repeat my argument. I oppose the amendment.

Mr. Tajamul Husain: I rise to oppose the amendment. "Every other officer" has no meaning. That means everybody who may be an officer, and there may be so many officers. I see no sense in that.

Mr. Chairman: The question is:

"That in sub-clause (3) of clause 46 of the Bill, for the words 'other officer', the words, 'every other officer' be substituted."

The motion was negatived.

Kazi Syed Karimuddin : I move:

"That in sub-clause (3) of clause 46 of the Bill, after the words 'banking company', occurring in line three, the words 'who is charged with the duties prescribed under sub-section (4) of section 35' be inserted."

In sub-clause (3) it is said:

"If any deposits are received by a banking company in contravention of an order under clause (a) of sub-section (4) of section 35, every director or other officer of the banking company, unless he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent it, shall be deemed to be guilty..."

Therefore I make the suggestion that only that director or officer, who is charged with the duty prescribed under clause 35 should be made liable. Therefore my submission is that only those who are charged with the duty prescribed under sub-section (4) of section 35 should be made liable under sub-section (3).

Mr. Chairman: Amendment moved:

"That in sub-clause (3) of clause 46 of the Bill, after the words 'banking company', occurring in line three, the words 'who is charged with the duties prescribed under sub-section (4) of section 35' be inserted."

The Honourable Dr. John Matthai: I regret I cannot accept it.

Kazi Syed Karimuddin: Will the Government not give any reasons for opposing?

Mr. Chairman: If the honourable Minister does not choose to, you cannot force him.

The question is:

"That in sub-clause (3) of clause 46 of the Bill, after the words 'banking company', occurring in line three, the words 'who is charged with the duties prescribed under sub-section (4) of section 35' be inserted."

The motion was negatived.

Mr. Nazirudin Ahmad: I move:

"That in sub-clause (3) of clause 46 of the Bill, for the word 'knowledge', the words 'knowledge or connivance' be substituted."

The element of knowledge may in particular cases be difficult to prove, but if we add "connivance" it makes the expression more elastic and probably many a defaulter would be roped in through this combination of words who would otherwise escape if there was only one word.

Mr. Chairman: Amendment moved:

"That in sub-clause (3) of clause 46 of the Bill, for the word 'knowledge' the words 'knowledge or connivance' be substituted."

Mr. Tajamul Husain: I again rise to oppose this amendment of my learned friend, Mr. Naziruddin Ahmad. The word 'connivance' includes 'knowledge'. You cannot have connivance without knowledge. It is meaningless and useless to have both words. One is quite sufficient.

The Honourable Dr. John Matthai: I agree with my learned friend!

Mr. Naziruddin Ahmad: So the honourable Minister connives with the honourable member.

Mr. Chairman: The question is:

"That in sub-clause (3) of clause 46 of the Bill, for the word 'knowledge' the w 'knowledge or connivance' be substituted."

The motion was negatived.

Shri C. Subramaniam (Madras: General): Sir, I would like to know the attitude of the honourable Minister in regard to my amendment.

The Honourable Dr. John Matthai: I am going to oppose it. It is for the reason....

Shri C. Subramaniam: Then I am not moving it.

Mr. Naziruddin Ahmad: I move:

"That in sub-clause (4) of clause 46 of the Bill, for the words 'or of any order', the words 'or in complying with any order' be substituted."

The more objectionable word is "of". The House will be pleased to consider a simple rule of grammar. If we use the word 'complying', it is 'complying with' and never 'complying of'. Yet this is the effect of the passage and I am sure the honourable Minister's advisers never liked into it. It is said in sub-clause (4) of clause 46:

"If any other provision of this Act is contravened, or if any default is made in complying with any requirement of this Act or of any order....."

The word 'complying' is with "any order"!

The Honourable Dr. John Matthai: "Of" relates to requirement".

Mr. Naziruddin Ahmad: It is always an unsatisfactory way of interpreting a thing by the man who drafted it. The man who drafted it wrongly is always clear as to what he means. But the trouble is whether others will appreciate it. It is better to redraft it.

Mr. Chairman: Does not the honourable member realize that it refers to "requirement"?

Mr. Naziruddin Ahmad: All right, Sir, I am not pressing it.

Kazi Syed Karimuddin: I move:

"That in sub-clause (4) of clause 46 of the Bill, for the words 'who is knowingly a party to', the words 'who is charged with the duties prescribed under this Act and who contravenes or abets' be substituted."

The meaning of my amendment is very clear. The draft on this point is very loose and I should say it is a layman's language. Those persons who are charged with the duty as prescribed under this Act should be made liable. In the original draft it is written, "who is knowingly a party". This is not tenable.

Therefore my submission is that the legal language will be "who is charged with the duties prescribed under this Act and who contravenes or abets" and I hope the amendment will be accepted. I should very much desire that the Honourable the Finance Minister will give the reasons for his rejection or opposition, if he opposes it. As he said, he was practising at the bar 85 years ago.

Mr. Naziruddin Ahmad: Barred by limitation.

Mr. Chairman: Amendment moved:

"That in sub-clause (4) of clause 46 of the Bill, for the words 'who is knowingly a party to', the words 'who is charged with the duties prescribed under this Act and who contravenes or abets' be substituted."

Mr. Naziruddin Ahmad: I rise to support this amendment. The whole sub-clause makes knowledge of a certain man of a certain contravention punishable. Supposing an offence is committed in our presence during a railway journey. We know it but we do not do anything to prevent it. We know it but knowledge is not enough. Shall we be held guilty? In this case mere knowledge of the offence is being punished. The amendment says "who is charged with the duties prescribed under this Act and who contravenes or abets", he will be held guilty. If a man has no duty or responsibility and if any offence is committed of which he is merely aware he should not be held guilty. If a master or superior officer commits a crime or makes a wilful default and his subordinate knows it, is he to oppose his master and lose his job? Supposing the honourable Minister makes a mistake and if his secretary pointed it out to him, he may not like it. Here you are punishing a man for something which it is not his duty either to do or to prevent. In this clause the law is made more strict but in other cases the law is loose and lax. In these circumstances I submit that the amendment should be accepted.

Shri H. V. Kamath: I think there is considerable force in the amendment that has been brought before the House by my honourable friend Kazi Syed Karimuddin. Unless in law a person is charged with the performance of a particular duty he cannot be lawfully or even morally or rightly brought to book.....

Mr. Chairman: May I bring to the notice of the honourable member that the words are not "who knows about it" but "knowingly a party to the contravention or default". Mere knowledge is not punishable.

Shri H. V. Kamath: This clause is silent on the point of the duties with which the officer is charged. My friend Kazi Karimuddin's amendment seeks to define this position in this fashion that any officer "who is charged with the duties prescribed under this Act and who contravenes or abets".

Another point is involved on which a little light may be thrown by the honourable Minister. In the clause it is stated "every director and other officer". May I ask the Minister whether he considers a director to be an officer of the banking company? If the words are read together a director is

[Shri H. V. Kamath]

also an officer of the banking company. I am not quite clear whether a director should be regarded as an officer of the banking company. If that position is not acceptable it must read "every director and any officer of the banking company", if the sense is to include the director as well. So far as I am aware a director is not regarded as an officer of the banking company. Therefore some suitable modification is also necessary in this regard.

As regards the amendment of Mr. Karimuddin I think it seeks to define and clarify the position envisaged by this clause and therefore it may be accepted by the Minister and by the House.

Shrimati G. Durgabai: I do not think it is necessary to specify here "who is charged with the duties prescribed....." as mentioned in the amendment of my honourable friend Mr. Karimuddin, because the duties of a director or any officer are understood by implication. Therefore this amendment is completely out of place except to take away the time of the House and there is really no meaning in it.

Shri H. V. Kamath: I seriously object to it, Sir.

Kazi Syed Karimuddin: I protest against it.

Shri H. V. Kamath: The honourable member is usurping your powers, the powers of the Chair. It is up to you Sir, to judge whether it is a waste of the time of the House or not. Nobody can usurp your powers.

Mr. Chairman: The honourable lady only said that this is mere waste of time if you persist in this amendment just to bring out that the amendment moved is not material.

Shri H. V. Kamath: It is left to you to decide whether it is a waste of the time of the House or not. Nobody can usurp your powers.

An Honourable Member: You cannot question the ruling of the Chair.

Mr. Chairman: She was only emphasising her own point.

Kazi Syed Karimuddin: She says that the time of the House is wasted.

Mr. Chairman: Such phrases are usually used by those who emphasise their points.

Kazi Syed Karimuddin: She has done it without emphasising any points.

Srijut Rohini Kumar Chaudhuri: I do not wish to follow my predecessor and my friend Shrimati Durgabai by trying to waste the time of the House...

Kazi Syed Karimuddin: On a point of order, Sir, can the honourable Member call another Member a 'friend'?

Mr. Chairman: It is quite parliamentary.

Srijut Rohini Kumar Chaudhuri: Sir, I want to repeat that I do not wish to repeat or follow the example of my honourable friend Shrimati Durgabai, when she tried to waste the time of the House by giving.....

An Honourable Member: Is it necessary now?

Srijut Rohini Kumar Chaudhuri: Sir, I feel that I am on very safe grounds when I rise to speak on this motion, because the honourable Minister has not yet declared his intention either of supporting or of opposing it. I have been a lawyer myself and I have to practise as a lawyer even now for my bread. But I will not pit my experience against the experience of the Honourable the Finance Minister in this matter. I have asked some lawyer friends also who agree with me that an expression like the one which has been used in this clause "knowingly a party" is very rarely seen in a legal statute.....

Mr. Nasiruddin Ahmad: It is unusual

Srijut Rohini Kumar Chaudhuri: And therefore when any honourable Minister rakes up his experience of 35 years ago he must be perfectly satisfied that this expression is really a legal one. Incidentally I may mention that the Indian Companies Act was passed in 1913 and soon after the advent of this Act my honourable friend the Minister withdrew from his legal practice. Thirty-five years ago means 1918, when the Indian Companies Act was passed.

Mr. Chairman: This has got nothing to do with the amendment.

Srijut Rohini Kumar Chaudhuri: I am speaking about the expression "knowingly to be a party". That expression is not a legal one and it should be substituted.

Incidentally I might mention, if my legal knowledge is correct, there is a "Knowingly to be a party". That expression is not a legal one and it should be substituted.

Incidentally I might mention, if my legal knowledge is correct, there is a great omission, in that no imprisonment is laid down for default and the payment of a fine. I do not know if the General Clauses Act lays down that whenever there is no imprisonment prescribed for default there should not be any imprisonment or there shall be simple imprisonment for six months. I think there may be also a general provision somewhere that in case of any special or local law where any imprisonment in default of fine is laid down it may be presumed there that the imprisonment shall be simple and for a period not exceeding six months. This I am not sure of and I hope the Honourable Minister will look into this matter. If it is intended that there shall not be any imprisonment in default of payment of fine, because the offender shall be an indeterminate body of persons, he should clearly say so. If there is to be imprisonment in default of payment of fine the point is whether that has got to be gathered from any statute other than this.

Mr. Tajamul Husain: I find that the first part of the amendment of my honourable friend, Mr. Karimuddin is good, that is, where he says "who is charged with the duties prescribed under this Act". After all to whom is the punishment to be given? Punishment is to be given to the person who is charged with the duties prescribed under this Act. But the next part of his amendment is in my opinion not correct—that is "who contravenes or abets". There is a world of difference between "who is knowingly a party" and "who contravenes or abets". "Who is knowingly a party" implies the knowledge and intention to do something whereas "contravenes or abets" may be by mistake—may be a *bona fide* mistake. Therefore if the amendment had been in the form "who is charged with the duties prescribed under this Act and who is knowingly a party to" then I would have agreed and supported the amendment. As it is, I am sorry I cannot support it. I must oppose it because the words in the original draft "who is knowingly a party" are better than "who contravenes or abets". A man may contravene or abet without the knowledge and you cannot punish a person who has not got the knowledge of his act.

The Honourable Dr. John Matthai: I have always regarded my honourable friend Mr. Rohini Kumar Chaudhuri with respect, as a political leader and as a legislator. But if he is typical of the present generation of criminal lawyers I regret I cannot extend my respect to him in that capacity.

I think the point is quite simple. You cannot accuse a person of contravention or default in respect of a provision unless that provision imposes certain duties upon him. Therefore it seems to me quite unnecessary to add the words 'charged with these duties'.

Mr. Chairman: The question is:

"That in sub-clause (4) of clause 46 of the Bill, for the words 'who is knowingly a party to', the words 'who is charged with the duties prescribed under this Act and who contravenes or abets' be substituted."

The motion was negatived.

Mr. Nazirudd'n Ahmad: I move:

"That in sub-clause (5) of clause 46 of the Bill, for the words 'make a demand on the banking company', the words 'direct the banking company', be substituted."

While I was looking up my papers I heard a muffled remark from one of the honourable members, namely the redoubtable Bikram Lal Sondhi, the first part of whose name really indicates prowess, that I was having breathing time. Indeed he is very right and I was having a breathing time. There are so many amendments that I had need to have a moment's breathing time. So the breathing time should be excused.

I submit that the effect of the amendment is this. Instead of the original phrase "make a demand on the banking company" the words "direct the banking company" would be more appropriate in the context. I do not wish to elaborate it further but I desire the honourable Minister to read the passage himself independently as a lawyer that he was thirty five years ago and then give us his independent opinion.

The Honourable Dr. John Matthai: I have considered it independently and very carefully. I cannot accept it.

Mr. Chairman: The question is:

"That in sub-clause (5) of clause 46 of the Bill, for the words 'make a demand on the banking company', the words 'direct the banking company', be substituted."

The motion was negatived

Mr. Chairman: There is an amendment to clause 46 given notice of by Mr. Alagesan.

Shri O. V. Alagesan (Madras: General): I would like to explain the position before I move my amendment. Section 22 requires a company for carrying on banking business to get a license from the Reserve Bank. A contravention of that section is covered by sub-clause (3) of clause 46. But it provides only for fining the directors and does not provide for the winding up of the company which carries on business without a licence. That deficiency is sought to be covered by my amendment and it gives power to the Reserve Bank to wind up the company if it ceases to have a licence. As the clause stands it can continue to do business even without having a licence, by paying the fine. You should really provide for the winding up of the company in such a case. If the honourable Minister would accept the amendment I shall move it.

The Honourable Dr. John Matthai: In regard to matters of this kind the publicity that attaches to conviction would be such that you need not put yourself to the trouble of winding up the company. The people who are likely to place deposits in that company would refuse to do so.

Shri O. V. Alagesan: Then I am not moving it.

Mr. Chairman: The question is:

"That clause 46 stand part of the Bill."

The motion was adopted.

Clause 46 was added to the Bill.

Clause 47 was added to the Bill.

Mr. Nazirudd'n Ahmad: I move:

"That in clause 48 of the Bill, for the words 'towards payment', the words 'towards the payment' be substituted."

As I submitted the other day, a simple word "the" created considerable amount of difficulty in the Federal Court amongst five learned Judges in which a respected member of this House, Mr. K. M. Munshi, had to take part. They had considerable difficulty over the word "the". There is a tendency in this House to ignore commas or words like "the", "or", "of" as being beneath the notice of the respectable members of the

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House. I submit they are not to be ignored or jeered at in the House like that.

Mr. Chairman: May I ask what difference does it make whether the word "the" is there or not?

Mr. Nasiruddin Ahmad: The difference is just like the difference in notes to a musician. A man who is a musician can see the difference between the notes. A man who is devoid of any sense of music does not see the difference.

In fact, it will not do to say that the meaning is clear; sometimes the meaning may not be clear.

Mr. Chairman: Sometimes it may not be but the question is whether here in clause 48 it would make any substantial difference.

Mr. Nasiruddin Ahmad: The Honourable the Speaker once suggested that the elegance of language is also a desirable objective.

The Honourable Dr. John Matthai: As far as this is concerned, the insertion of "the" makes it much less elegant.

Mr. Nasiruddin Ahmad: That is a different point of view. My honourable friend has the advantage of being fed and supported by an array of experts, so whatever he says must pass as authority.

I would submit, the passage reads thus:

"A Court imposing any fine under this Act may direct that the whole or any part thereof shall be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding of the person on whose information the fine is recovered."

I think the ordinary sense of grammar would indicate that the word "the" is appropriate: ".....shall be applied in or towards the payment of the costs....." The word "the" comes naturally. It is a question of first impression and of course if opinions differ then I shall respectfully differ.

I submit that these nice things may make a great deal of difference. Let us take one example, let us consider one sentence, "Begum Aizaz Rasul says Mr. Rohini Kumar Chaudhuri is a naughty boy". The meaning is clear, But suppose you put two commas in it, such as: Begum Aizaz Rasul, says Mr. Rohini Kumar Chaudhuri, is a naughty boy". The point is that without the commas, Mr. Rohini Kumar Chaudhuri is the naughty boy; but with the commas, Begum Aizaz Rasul becomes the naughty boy which is absurd. So the position of a comma makes a good deal of difference.

Mr. Chairman: There is no question of comma here!

Shri H. V. Kamath: May I speak on this amendment of my friend Mr. Nasiruddin? He has said something about music and musicians. I believe he has got a good musical sense but here I think it has failed him. The two 'the's, if his amendment be accepted, would certainly jar upon any musical ear and certainly it does violence to canons of euphony. I think the House will agree with me when I say that "the" here will be entirely misplaced, and I would ask the House to reject this amendment.

The Honourable Dr. John Matthai: I find myself in complete agreement with my honourable friend Mr. Kamath.

Mr. Nasiruddin Ahmad: You have used two dozens of 'the's in another clause.

Mr. Tajamul Husain: I have got very important things to say.

Mr. Chairman: I am going to put the amendment to vote.

The question is:

"That in clause 48 of the Bill, for the words 'towards payment', the words 'towards the payment' be substituted."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 48 stand part of the Bill."

The motion was adopted.

Clause 48 was added to the Bill.

Clauses 49 to 51 were added to the Bill.

Mr. Nazirudin Ahmad: I wanted to submit something on amendment No. 263 and wanted to finish the question altogether. So long as there is no finality.....

Mr. Chairman: Yesterday this amendment was debated and you were pleased to say you will take some other time to ventilate it. So let us proceed.

Mr. Nazirudin Ahmad: Sir, the Deputy Speaker himself later on told me that he would like to raise it once again. In these circumstances, I may be allowed to raise the point so as to finish it once and for all. I give a solemn undertaking before the House never to think of this any further. With that assurance, I may be allowed to develop the point.

The expression "Official Gazette" has been defined in the General Clauses Act. There the expression is used as a complete name. It seems to me, from a conversation with the draftsman, that the word "official" is regarded as a mere adjective and as no part of the name or the description. If it is merely an adjective without being part of the name, of course, it should be spelt with a small letter, not with a capital letter. But my point is that the Official Gazette is a compound name as, for instance, the Legislative Council. If we think the word "legislative" is merely an adjective and not a part of the name, then of course the word "legislative" should begin with a small letter, but if it is a part of the name, of course both the words should be capitalised.

The reason which was given to me by the draftsman was that in the sentence the word "Official" stood at the beginning and therefore it began with a capital letter. But that is not so. In a large number of definitions given in the General Clauses Act words which should be capitalised are used in a capitalised way and words which should not be capitalised are not used in that way. I submit therefore that the General Clauses Act is a direct authority for the spelling which I am trying to press. The other reason given for ignoring my contention is that from 1940 onwards, "official" is spelt with a small letter. I admit this is so, but let us consider a large number of other and classical Acts: the Criminal Procedure Code, the Penal Code, the Transfer of Property Act, the Registration Act. There the expression "Official Gazette" appears and always the capitalised version is used so far as the word "Official" is used. It is a point in drafting that where a capital is to be used, it should be used uniformly; where a small letter is to be used, it should also be used uniformly. In this case the sample given in the General Clauses Act begins with the capital letter and in other cases where a small letter is indicated they are in small letters. It is not that because the word "Official" begins at the beginning of the sentence in the General Clauses Act it is used with a capital letter. That is not so. In the very definition itself where the capitalised version is used, it is always capitalised, but where it is not so the small letter is used.

So, an examination of the other difinitions will also show that "Official" is a part of the name and therefore it should be capitalised. If we look to the classical enactments—probably the older Acts are examples of good draftsmanship—there always the word "Official" is used in capital letters. I do not wish the matter to be put to vote, but I should ask the Honourable the Speaker to look into these authorities and prevent us from trouble on this matter any

further. I submit these are important matters. There should be uniformity. In some of the recent Acts, sometimes "official" is spelt with capital and sometimes with small letter. Why should there be this variation?

Mr. Chairman: I would request the honourable the mover of the amendment to kindly move the amendment, so that the point may be settled once for all. He has not even moved the amendment, yet he is speaking on it.

Mr. Naziruddin Ahmad: I beg to move:

"That in sub-clause (1) of clause 52 of the Bill, for the words 'official Gazette', the words 'Official Gazette' be substituted."

Shri H. V. Kamath: May I ask my friend Mr. Naziruddin Ahmad whether it is his view that the word "official" here is used not in an adjectival sense but as a substantive? He says it is part of a name. For his information, I can tell him that the name of the Gazette is "*Gazette of India*" or Gazette of the U.P." or Gazette of C.P. and Berar" and so on. The name is not "Official Gazette". No gazette in India is called "Official Gazette" by name. To my mind therefore, the word "official" is used in an adjectival sense and not as a substantive. Therefore the 'o' here in the word 'official' need not be capitalised, but may remain small enough as it is.

Babu Ramnarayan Singh (Bihar: General): I have to say a word in this respect. Sometimes I find that people laugh at my friend Mr. Naziruddin Ahmad. When [illegible] amongst, we learnt that articles 'a' and 'the' have got to be used and there is a rule for that. In the same way, there is rule as to where small letter is to be used and where capital letter is to be used. May I know whether these rules of grammar were to be taught and learnt and used when we were in schools and colleges or whether they are to be used here in this legislative chamber? I know Dr. Rash Bihari Ghose was interpreting law in the Calcutta High Court. He interpreted one particular section in one way and won the case, and after some time he interpreted the same section in a different way, and the Court asked him.....

Shri Krishna Chandra Sharma: Because he was paid by different clients?

Babu Ramnarayan Singh: Yes. When he was asked by the Court. "Dr. Ghosh, the other day you interpreted this section in that way and this day you are interpreting it in this way". Then Dr. Ghosh answered, "My Lord, that was a very good law when I interpreted it in that way, but this is the law". So, "the" has a significance. I do not like that honourable members should laugh at my friend. I think the Draftsman ought to be expert enough.....

Mr. Chairman: I must request the honourable member to address the House on the point at issue. We have heard the story from him and we have heard much more, but may I request him kindly to speak on this particular question?

Babu Ramnarayan Singh: Well, Sir, I am speaking on the amendment. Why the Draftsman should not be expert enough to know the rules of grammar and make a good draft of any Bill, so that such amendments may be impossible. Of course, so far as this amendment is concerned, I support it and I ask the honourable House and the honourable Minister to so arrange things that such mistakes will not be committed by the Draftsman.

Srijut Kuladhar Chaliha: We are very thankful to Mr. Naziruddin Ahmad for pointing out to us.....

Mr. Chairman: May I just request the honourable member to direct his attention to the particular amendment? The merits of Mr. Naziruddin's performances are not here in dispute but the point at issue is the amendment.

Srijut Kuladhar Chaliha: I am directing my attention to that. First, I am acknowledging with great gratitude Mr. Naziruddin's pointing out that our Draftsman are so loose that every time a Bill comes up we find such mistakes. We must be grateful to him for drawing our attention to this. We are standing on prestige and do not like to accept his good suggestion. We must admit our mistakes. It is no use standing on prestige when we know that it is a real mistake. Now, as regards whether it should be spelt with capital letter, we find in the General Clauses Act "Official Gazette" is always spelt with capital 'O'. It is not used in adjective sense, as my friend Mr. Kamath said. In every clause you will find other words are spelt with small letters but Official Gazette is always spelt with a capital letter.

Mr. Chairman: This has already been pointed out by the honourable mover.

Srijut Kuladhar Chaliha: I think it has been already pointed out and I think you will find that Official Gazette is spelt with capital 'O' and as Mr. Naziruddin Ahmad has pointed out, there are other deficiencies of our Drafts men. I think we should take note of this and accept this. We must not stand on prestige.

The Honourable Dr. John Matthai: I think my honourable friend Mr. Chaliha—I do not think he meant it—did me much less than justice when he said that I was standing on prestige in taking the line I do on these things. My honourable friend will recognise that a Minister charged with the kind of portfolio that I have has several grave preoccupations at present. I have had to spend on these amendments of Mr. Naziruddin Ahmad—sleepless nights and sleepy days—and if I have come to these decisions it is because I believe that those are the right decisions in the circumstances. I must take exception to my honourable friend Mr. Chaliha's remark about me.

Srijut Kuladhar Chaliha: All right, Sir, I withdraw my remarks.

The Honourable Dr. John Matthai: As regards this question of 'official Gazette', we have gone into this question over and over and over again. I know the practice differs in various enactments, but for the present, since this has been used here, I suggest we might continue it.

Srijut Kuladhar Chaliha: I beg to withdraw, if my friend takes exception, though I did not mean it.

Mr. Chairman: The question is:

... "That in sub-clause (1) of clause 52 of the Bill, for the words 'official Gazette', the words 'Official Gazette' be substituted."

The motion was negatived.

Mr. Naziruddin Ahmad: I move:

"That in sub-clause (3) of clause 52 of the Bill, for the words 'draft of the proposed rules was published', the words 'draft rules were published' be substituted."

We know draft rules, but the expression "draft of the proposed rules" is nothing but really an elongated version of the words "draft rules".

The Honourable Dr. John Matthai: I oppose it.

Mr. Chairman: The question is:

"That in sub-clause (3) of clause 52 of the Bill, for the words 'draft of the proposed rules was published', the words 'draft rules were published' be substituted."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 52 stand part of the Bill."

The motion was adopted.

Clause 52 was added to the Bill.

Shri B. P. Jhunjhunwala (Bihar: General): I want clarification from the honourable Minister on one point. This is what the report of the Select Committee says in regard to this clause.

"This is a provision which we have added as a matter of caution. It is possible that exemptions may be needed in the case of industrial finance corporations, land mortgage banks housing societies, and other like institutions which obtain deposits from the public. This provision would also enable temporary relief to be given in cases of emergency."

I want to know whether this Act applies also to these banks. The honourable Minister has said that it applies only to commercial banks. I want to get confirmation for it.

The Honourable Dr. John Matthai: If my honourable friend will refer to (b) and (c) of clause 5(1), the position will be clear. Item (b) says "Banking" means the accepting, for the purpose of lending or investments, of deposits of money from the public, repayable on demand or otherwise, and withdrawals by cheque, draft, order or otherwise:" Then, item (c) says: " 'banking company', means any company which transacts the business of banking in any Province of India".

As the provision stands at present, if they accept deposits the institutions mentioned by him might be brought within the frame-work of the Bill.

Shri B. P. Jhunjhunwala: Does not this Act think of only banks doing commercial business?

The Honourable Dr. John Matthai: That is so.

Kazi Syed Karimuddin: Before I speak on clause 53, I may assure Shrimati Durgabai that I am not trying to waste the time of the House. I am saying this because it is just natural that the honourable member is angry with me under the impression that I am putting obstacles in the way of the consideration of the Hindu Code Bill. I assure her that I have every sympathy with the measure which proposes to confer rights and privileges on women. I am a father of daughters.

My submission as regards this clause is that it is very arbitrary. The provisions of law which are sought to be placed on the Statute Book are very unprecedented. I find from the Minute of Dissent appended to the Report of the Select Committee by Shri Ananthasayanam Ayyangar that he is opposed to any power being given to any Government to exempt any bank from the provisions of this Act as provided for in clause 53. Shri T. T. Krishnamachari too, at the fag-end of his minute of Dissent, has said:

"Even though I have appended my signature to the majority report, I am of the opinion that the Committee has done little or nothing to improve the Bill and have thereby lost a valuable opportunity of helping to place on the Statute book a measure which would ensure the strengthening of the credit and monetary structure in the country."

I think this provision has not been very well considered by the Select Committee. This clause 53 gives very arbitrary and unprecedented powers to the Government of India which would act on the recommendation of the Reserve Bank. The clause provides:

"The Central Government may, on the recommendation of the Reserve Bank, declare by notification in the official Gazette that any or all of the provisions of this Act shall not apply to any banking company or to any class of banking companies either generally or for such period as may be specified."

According to the report of the majority, which my friend has read out, this is a provision which they have added as a measure of caution. It is possible that exemptions may be needed in the case of an industrial banking corporation which obtains deposits from the public. Clause 53 is of general application to any bank or class of banks. This would mean that the provision of this Act can be superseded by the Central Government on the recommendation of the Reserve Bank. This will be too much.

[Kazi Syed Karimuddin]

Another objection I have in view is that the administration of the Reserve Bank, which would make the recommendation, would be open to very great corruption. The banks are full of money and if exemptions are to be given on the recommendation of the administrative machinery of the Reserve Bank and accepted by the Central Government, there will be room for great corruption. Therefore my submission is that, the powers contemplated under this clause are sweeping and general and ought not to be given. The honourable Minister should have laid down the exceptions which have been mentioned in the report of the majority. Therefore my submission is that this is a provision which it brought on the Statute book will be open to many injustices and it will do great harm to banking system of this country.

Shri Krishna Chandra Sharma: I support my honourable friend, because this clause 53 goes against the fundamentals of law. The law has always to be passed in general terms. You cannot say that if 'A' commits murder he should be hanged and say, at the same time, that if 'B' commits murder he may not be punished. If for a crime there should be punishment, it should be punishment for all who commit that crime. It should not be open to the Government to say that such and such bank will not come under the law and that such and such bank will be governed by it. I would have understood it if we had laid down that for such and such reasons the Reserve Bank may make recommendation to the Government to exempt such and such class of banks. But, without specifying such conditions, such reasons and the class of banks for which exemptions could be sought, if we adopt a provision of this kind, it would be an arbitrary provision. And an arbitrary measure is no law at all. It contravenes the fundamentals of law and therefore is not a desirable piece of legislation.

Pandit Lakshmi Kanta Mairta: May I put in a few words in connection with this clause, I think a very important point has been raised in as much as this clause seeks to preclude a particular class of banks from the operation of the provisions of this Act. I think, the whole purpose, as I have been able to understand from the previous speaker, is that there are certain organisations, banking in nature, which cannot be brought under the purview of this legislation and which if brought would inure more to the detriment of those institutions. I think, if the Honourable the Finance Minister has in view institutions like the Industrial Finance Corporation, the Rehabilitation Finance Administration and organizations like these, which might be brought into being in future, then of course, there is a good deal of force in it and force in the contention of the sponsor of the Bill. But one point has got to be made absolutely clear, whether or not the credit organisations which are essentially banking concerns,—not that there are transactions of the nature of banking, but they are essentially banking concerns in the sense that they receive deposits and they clear bills and things like that and also advance loans on approved securities,—the kind of course, the question would arise whether or not organizations like the industrial Finance Corporation or building societies or Rehabilitation Finance Administrations whether these things should properly come under the definition of a banking company. It is, therefore, necessary for the Honourable the Finance Minister to make clear as to what are the particular kinds of organizations he wants to be excluded from the operation of this Act on the recommendation of the Reserve Bank. Speaking for myself, and I find that my view is shared by a number of honourable members in this House, it would be a violent departure from a very salutary principle that there should be no exception to the operation of this law, as is generally the case with all legislations. We cannot give a sort of *carte blanche* to the Reserve Bank machinery to make re-

recommendations to the Government of India that these are the Banks A, B, C, D, E, which in our opinion should be excluded from the provisions of any or all of the provisions of this particular Act. The whole purpose of this Bill will be greatly defeated if this power—I must say it is a very wide and arbitrary power sought to be given to the administrative machinery of the Reserve Bank—is utilised by that body in a very large measure, then the very purpose of the Bill would be defeated. Therefore, instead of giving that sort of blanket authority to the Reserve Bank authorities, it is but meet and proper the Honourable the Finance Minister should indicate the terms under which certain organisations banking in nature would be excluded from the ambit of the operation of this Act. So long as that is not done, I think the contention raised by my honourable friends to the right and friends to the left are very substantial and they cannot be lightly brushed aside.

Mr. Nazirudin Ahmad: I rise to oppose this clause, and the reasons are plain. As Shri T. T. Krishnamachari has stated, the Bill has not been thoroughly considered. A man of his experience, who was a member of the Select Committee saying so, is a very serious thing.(*An Honourable Member.* "He was a minority of one in the Committee"). But he is an important minority. He is an able and a respected member of this House and his verdict cannot be brushed aside lightly. I submit instead of keeping a loop-hole just to excuse the Industrial Finance Corporation and certain other favourite banking concerns, we could have provided generally for such cases. There was no difficulty in framing the definition in such a way or to have incorporated exceptions with which we are very familiar in this Bill. If we leave a loop-hole like this, it only gives Government an enormous power, a power which is dictatorial in nature and although ministers at the highest level will be above influence, it is not impossible for us to see that parties will approach the Government through the back-door. Influence will weigh in favour of some parties and against certain others. It will depend on with what amount of energy and pluck a party puts its case. It may be that there will be no generalized standard for such cases; the standard should have been laid in the Act itself as to what things are necessary, what things are unnecessary and what exceptions should be made. It is rather a matter for drafting and in this the Bill absolutely fails. In these circumstances, I beg to submit that the clause should be withdrawn and suitable provisions should be made so as to apply all sorts of cases.

Srijut Rohini Kumar Chaudhuri: I can quite see the justification for the retention of this clause in the Bill. It will be in the recollection of the honourable members of this House how a right of exemption given in favour of a Government can be at times abused. There is a necessity for exemption in every matter and if that exemption has to be exercised at one time or the other, experience of the recent events show that it is better that they are exercised by a body of persons who are not responsible to the Legislature, rather than have to be exercised by the honourable Minister of this House which may be at times liable to mis-interpretation. The House remembers very well how the exercise of such a power in the matter of investigation of income-taxes has caused one honourable minister his seat. My point is this, that if an exemption has to be made in respect of any clause or any provision of this law, it is better that right of exemption is exercised by the Reserve Bank rather than by the Government itself.

Then, coming to the question whether such an exemption is necessary at all or not, whether the grant of this exemption has totally spoiled the good effects of this Bill, I might immediately tell the House that rather than leave the provision of this clause relating to exemption in such a vague and indefinite way, it would have been perhaps better for the framers of this law to lay down clearly that they do not want the provisions of this Bill to apply to land

[Srijut Rohini Kumar Chaudhuri]

mortgage banks or industrial financial corporations or something of that kind. I presume the way in which this law has been drawn up, the way in which this law has been passed, it should not be difficult to enumerate and illustrate the instances where exemptions should be actually granted. That being the position, I hope the Honourable the Finance Minister will agree with me that exemption should be granted in some deserving cases. Instead of leaving it in an undetermined way, or leaving it to the discretion of the Reserve Bank, it is better to lay it down here at once. I think, Sir, the exigency of the situation will be very well met if you only lay down and add to this clause the exemption which has been referred to in a general way in the majority report of the Select Committee. Otherwise, I am not quiet sure that this clause is perfectly clear and that it would be interpreted in a manner in which the authors of this legislation want to. For one thing, the Land Mortgage Banks which are registered under tho Co-operative Societies Act would not ordinarily come under the definition of a 'company'. A 'company' has been defined as a company which may be wound up under the Indian Companies Act. The Land Mortgage Banks cannot certainly be wound up under the provisions of the Companies Act. If that interpretation is correct, then the whole argument in favour of the Land Mortgage Banks which has been used in the report of the Select Committee falls to the ground. Similarly the Industrial Finance Corporation cannot by any stretch of imagination be declared to be a company which could be wound up under the Companies Act. In order to make the point clear, if it is the intention of the Government only to exempt this class of institutions, that should be made clear in the clause itself. Otherwise, the whole clause should be dropped.

Shri B. P. Jhunjhunwala: I have no apprehension that any such power will be exercised under the present regime by which the interests of the people will be jeopardised. But, my past experience of such clauses is very sad. Such a clause was introduced in the Sugar Control Act where it was laid down that the provincial Governments will be entitled to fix the price of cane at a particular rate. Power was also given to the provincial Government to exempt any factory from the application of that Act. That power was badly used in favour of a certain factory to the detriment of all other factories and cultivators. As I said, I have no apprehension that under the present regime this will be done. But, as my honourable friend Mr. Rohini Kumar Chaudhuri pointed out, some condition should be laid down under which this power should be exercised.

Shri B. Das (Orissa: General): If I rise, to speak on this, it is because I apprehend very much that the Reserve Bank may play tricks with us. The Reserve Bank has not yet defined its attitude towards the Imperial Bank. It may be that the Reserve Bank may excuse the Imperial Bank under excuse of this clause: Nowhere is the Imperial Bank mentioned in this Bill. That position must be clarified. Mere assurances will not do. It is better that the Honourable the Finance Minister defined here what he means. The explanation that is given in the Select Committee Report does not seem to apply to the Imperial Bank. We know that the Imperial Bank happens to be the favourite mistress of the Reserve Bank. The other day, we heard the Honourable the Deputy Speaker make a statement that the Imperial Bank would be Indianised in two years. The Honourable the Finance Minister made no such statement afterwards, but he said that it will be controlled. I find a contradiction of that in a paper called *Commerce* published from Bombay. The report in this paper says:

"The report, however, seems to be incorrect, according to a telegram received by us from our Delhi correspondent, who states that Mr. Ayyangar has authorised him to contradict the reported statement. The two year period in his reported statement referred to the

Dividend Limitation Ordinance and had nothing to do with the question of nationalisation of the Imperial Bank. All that Mr. Ayyangar said, it appears, was that the question of limiting dividends would be reconsidered after the expiry of two years."

I hope this is wrong. At the same time, I may point out that the *Indian Finance* of Calcutta, which reflects the Indian national view point, was very much perturbed at the statement of my honourable friend, the Finance Minister that the Imperial Bank will be controlled but not nationalised.

Mr. Chairman: May I just remind the honourable member, we have nothing to do now with the Imperial Bank?

Shri B. Das: I am coming to the point. In view of the suspicion of the patriots of the country and of this House, I do not want section 53 as introduced by the Select Committee. Either it should be thrown out or the Honourable the Finance Minister must make the point clear.

Shri M. Tirumala Rao: I want to say only a few words; I do not want to take up much of the time of the House. Section 53 tries to pass the whole camel of the Bill through the needle of the extraordinary powers of the Government. The Reserve Bank has been nationalised. It is absolutely a creature of the Government and the members are nominated by the Government. I do not know why the Select Committee has agreed to give such vast powers either to the Reserve Bank or to the Government to alter any section or all the sections of this Act, or give exemption from any or all the sections. If there is any emergency, there should be a time limit imposed, that the powers could be exercised for six months with regard to a particular type of banking institutions and if necessary, it could come before this House for a modification of the Act which by experience they may feel like wanting. To put such a section which gives such over-riding powers over all the sections is not democratic and is not quite fair to this House. I request the honourable member to consider whether a suitable amendment can be brought out so that the power is limited to a particular time beyond which he may have to come to this House for reconsideration.

The Honourable Dr. John Matthai: Sir, I quite appreciate the general feeling of apprehension which has been expressed by the House regarding the clause in a Bill of this kind which confers what is apparently an extensive scope for exercise of discretion by the Government. I quite appreciate that the House should feel apprehensive about it. But, the position is this. Banking institutions, of all kinds of economic institutions, are of a type that is most exposed to grave and sudden emergencies. In the course of the discussion of the various amendments, there was a case to which the attention of the House was drawn by an honourable member who asked me, in the case of that particular emergency, what the Government was going to do. The various provisions in the Bill were either inapplicable or if applied, would cause obvious hardship, and yet it was a case which it was impossible in the very nature of things to bring within the clear cut limits of a definition. I am speaking of the displaced Banks from the Punjab. They are placed today in a position which makes it extremely difficult for them to comply with the several provisions of this Bill and yet, it is my duty as a member of the Government to see that the interests of these people who have been placed in a position of this kind for reasons entirely beyond their control should be safeguarded. The only way in which I can safeguard their interests is—the House will not question the necessity for safeguarding their interests—is by having a provision of this kind. After all, in matters of this kind, there must be an element of trust somewhere. This world and its scheme of things will not function unless there is some

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repository somewhere where faith could be placed. I am quite alive to the criticism that as a Minister responsible to the Legislature, and for the time being a politician, I am possibly exposed to influences which may lead me to exercise my discretion contrary to the public interest. It may happen; but it is necessary in dealing with cases of this kind, to arrange for some discretion of this kind.

I was asked by my friend, Pandit Maitra, to define precisely, to categorise, the kind of institutions to which this Act would not apply, or in respect of which this exemption would be exercised. In the report of the Select Committee they have mentioned certain institutions. Now these institutions at present do not take deposits from the public. To that extent therefore at present they do not come within the framework of this Bill. But if a crisis arises when it is necessary for some of these institutions, in order to raise the necessary finance, to get deposits from the public, they would come within the provisions of this Bill and it is necessary that someone should have this discretion, because in the very nature of these institutions it is necessary that the provisions applicable to them should be of a kind which is appropriate in the circumstances.

I have given thought to this matter. The Select Committee also gave a good deal of thought to this. The Select Committee composed of non-official members of this House were apprehensive as the House is apprehensive, but in spite of that, because of the circumstances, they found it necessary to concede the case for a clause of this kind. I do not like to have to exercise a discretion of this kind. I would like to avoid being placed in a position where I have to exercise such discretion in individual cases. But if I am to discharge my duties as a Member of Government, I must accept the responsibility of exercising this discretion.

Mr. Chairman: The question is:

"That clause 53 stands part of the Bill."

The motion was adopted.

Clause 53 was added to the Bill.

The Honourable Dr. John Matthai: I move:

"That after clause 53 of the Bill, the following new clause be inserted, and the subsequent clauses be renumbered accordingly :

'54. *Protection of action taken under Act.*—

Srijut Rohini Kumar Chaudhuri: We would like to adjourn now because there is a party at Government House.

Mr. Chairman: We must sit till 5 P.M.

The Honourable Dr. John Matthai: I move:

"That after clause 53 of the Bill, the following new clause be inserted, and the subsequent clauses be renumbered accordingly :

'54. *Protection of action taken under Act.*—(*1*) No suit, prosecution or other legal proceeding shall lie against the Central Government, the Reserve Bank or any person for anything which is in good faith done or intended to be done in pursuance of this Act.

(*2*) Save as otherwise expressly provided by or under this Act, no suit or other legal proceeding shall lie against the Central Government, the Reserve Bank or any person for any damage caused or likely to be caused by anything in good faith done or intended to be done in pursuance of this Act'."

In the first place, I want to point out that a similar provision exists in many other countries in Canada, in Australia and in various countries. This particular provision follows the lines of a similar provision existing in these countries. It is also a provision which is common to many Indian Acts. If the House will look up the Damodar Valley Corporation Act, it will be seen that it was found necessary by the House that a provision of that kind should be

inserted in it. The difference between the Reserve Bank and Joint Stock Banks—and I think it is a difference to which my honourable friend, Shri B. Das referred—is this. Here we have a Bill which places heavy responsibilities of supervision and control on the Reserve Bank. The Joint Stock Banks are not saddled with responsibilities of that kind. When you place special responsibilities on an institution, and the officers of that institution are called upon to exercise those responsibilities, if in good faith they do something which is likely to bring them within the mischief of the law, then it is in the public interest that they should be given a due measure of protection: otherwise public servants would not be in a position to discharge their duties fearlessly. So, I submit to the House that this amendment should be accepted.

Mr. Chairman: Amendment moved:

"That after clause 53 of the Bill, the following new clause be inserted, and the subsequent clauses be renumbered accordingly :

'54. *Protection of action taken under Act.*—(*1*) No suit, prosecution or other legal proceeding shall lie against the Central Government, the Reserve Bank or any person for anything which is in good faith done or intended to be done in pursuance of this Act.

(*2*) Save as otherwise exprcssly provided by or under this Act, no suit or other legal proceeding shall lie against the Central Government, the Reserve Bank or any person for any damage caused or likely to be caused by anything in good faith done or intended to be done in pursuance of this Act'."

Srijut Rohini Kumar Chaudhuri: Before my friend starts may I suggest an amendmeut to the amendment, if that is possible? I think the honourable Minister will accept it because there cannot be a prosecution against the Central Governmeut. The object of this clause will remain as good if we say "No suit, prosecution or other legal proceeding shall lie against any person". Prosecution should be against a particular person, whether an officer of the Government or not. There cannot be a prosecution of the Government or the Reserve Bank.

If I say no prosecution, the suit may be put in the second clause: "No prosecution shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act". The second clause will cover the other cases.

Anyhow, there cannot be prosecution of the Central Government or of the Reserve Bank.

The Honourable Dr. John Matthai: A suit may lie!

Srijut Rohini Kumar Chaudhuri: Legal proceedings can lie, but not prosecution!

Shri B. Das: That is a legal term. I think the Government of India can be prosecuted. Of course that is for Dr. Matthai to answer! I was filled with apprehension when the Honourable the Finance Minister tabled his amendment. Although at heart I do not like that the Government of India officers, who are following the traditions of the old I.C.S., should be exempt and should be condoned of their past follies and actions, and sometimes of their mismanagement and their exploitation and even corruption, still when I found that that was being done through the backdoor of the Reserve Bank Act, I was aghast. The honourable Minister has promised us, and the House has demanded it from the Government of India, that a complete Reserve Bank Amending Bill should be tabled on the floor so that we could examine it and see whether the Reserve Bank is true and loyal to my country. Up to date the Reserve Bank has been loyal to the United Kingdom Government. I am not going to condone any support to United Kingdom. My friend need not say.....

The Honourable Dr. John Matthai: I strongly protest against it.

Shri B. Das: You may protest. But what was the action of the henchmen of the Reserve Bank where millions of sterling of Indian money was sunk, and over which the honourable Minister it to make a statement on the 28th of this month. At that time the Reserve Bank did not help my country. The Reserve Bank, because it allowed the Imperial Bank to be its agent to bank all the taxpayers money has not worked in consonance with the country's national policy.

Mr. Chairman: May I inform the honourable member that this deals with future actions. It has got nothing to do with condonation of past action.

Shri B. Das: You must first be satisfied.....

The Honourable Dr. John Matthai: I should like to have an opportunity of saying that if my honourable friend is referring to the sterling balances, the Reserve Bank is not the body responsible for the problem but the old Government.

Mr. Chairman: Does the honourable member wish to continue his speech?

Shri B. Das. Yes.

Mr. Chairman: Then he may continue tomorrow.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Thursday, the 17th February, 1949.